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Political Reaction

Yeltsin Signs Edict on Chechen Reconstruction

LD2401124996 Moscow INTERFAX in English 1116 GMT 24 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 24 (Interfax) — President Yeltsin signed a decree on Chechen economic and social reconstruction in 1996, Yeltsin's press service told Interfax.

Under the decree, 16.2 trillion rubles and up to $1 billion are to be spent on Chechen reconstruction programs. The dollars are from foreign loans and the rubles are to be supplied by all sources of financing, the decree says.

Yeltsin instructed the federal government to reconsider this year's investment program so as to spend up to 4 trillion rubles on Chechen reconstruction, including 1.5 trillion rubles on the construction and reconstruction of housing units and in housing subsidies. The investment program is to be endorsed by the State Duma.

In addition, 0.55 trillion rubles of government allocations for road repairs and the laying of federal highways are to be spent on road repairs in Chechnya.

Citizens leaving the Chechen republic for good will get 0.2 trillion rubles from the federal emergency fund.

The Chechen power production complex is to get 0.3 trillion rubles from the federal government.

The executive branch of the federal authorities will be expected to spend up to 5 trillion rubles on the maintenance of rebuilt plant and the purchase of new machinery "in the framework of this year's budget allocations to appropriate ministries and government agencies."

Before the end of this month the federal government is expected to adopt a separate program for the quartering, equipment and logistical support of regular army units and interior troops in Chechnya.

President Yeltsin's plenipotentiary emissary in Chechnya Oleg Lobov is due to monitor the realization of the Chechen reconstruction decree.

Russian Government Allocates Compensation to Dagestan

LD2401131096 Moscow ITAR-TASS in English 1301 GMT 24 Jan 96

[By Artyom Protasenko]

[FBIS Transcribed Text] MOSCOW January 24 (Itar-Tass) — The Russian government will appropriate over 304.9 billion roubles in the near future to make good damages inflicted by Chechen terrorists in Dagestan as well as 35.5 billion roubles as lump-sum assistance to the victims of terrorists.

The cabinet took this decision in compliance with the Russian president's decree signed on Tuesday, deputy cabinet head Yuriy Yarov said in an interview with Itar-Tass on Wednesday.

According to the vice-premier, 20 percent of funds to Dagestan will be allocated within the current week.

Government decisions envisage that family members of the killed as a result of the terrorist act will receive allowances amounting to 200 minimum wages, while invalids and those who were injured as a result of the terrorist act will receive compensations amounting to 100 minimum wages.

Yarov also said that he chaired a special meeting on January 22 with the participation of the Dagestani leaders as well as top executives of interested ministries and departments, which drafted top-priority and urgent measures to do away with consequences of the terrorist act in Kizlyar and the village of Pervomayskoye.

Yarov stressed that the Public Health Ministry and the Ministry for Emergencies are engaged in intensive work in the republic. The Construction Ministry will join them in the near future.

"The government and federal bodies of Russia and Dagestan will take all adequate joint actions for Dagestani citizens to see that they live in Russia as in a single family and their disaster is a common disaster," the vice-premier emphasised.

Russia: Gromov Calls For Withdrawal of Troops From Chechnya

LD2401162396

[FBIS Report] Moscow Russian Public Television First Channel network in Russian at 1700 GMT on 23 January carries the 35-minute "Theme" ["Tema"] program — a program that takes the form of a a live debate before a studio audience — devoted to the conflict in Chechnya. Colonel General Boris Gromov, State Duma deputy and former Russian deputy defense minister was among the guests. The tone of the debate was clearly antiwar if not anti-Yeltsin.

Asked what the Russian authorities should do to solve the Chechen crisis, Gromov says: "The troops should certainly be withdrawn. Before that the negotiation process should probably be intensified with the aim of achieving a cease-fire. That is the chief issue today, as I understand it. The start of civil war in Russia would thus also be stopped. At the end of the day we should think about not blockading Chechnya but extending firm

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[Dudayev] We must be allowed to decide everything voluntarily, without any pressure, without force. We would have reached agreement with Russia long ago if the troops had not marched in. No Chechen will accept being placed under pressure like a dog.

[Jacks] Do you still believe in victory over Russia?

[Dudayev] We will either win now or never. We have no right to send our children into slavery. Either there will be eternal war until both sides are destroyed or there will be peace. But only on one condition — that the Russians pull out. There is no middle course.

[Jacks] Do you still have your soldiers fully under control?

[Dudayev] All orders for military operations are given by me, solely by me. And everyone carries out these orders perfectly. There has not been a single case of refusal to obey an order.

[Jacks] Will there continue to be terror?

[Dudayev] All the hatred of the Chechen people is aimed against Russia, against the troublemakers. There will be further, worse attacks in Russia.

[Jacks] Do you believe the support for you will continue?

[Dudayev] The Chechen nation is practicing solidarity more than ever before. Our strength will continuously increase until we have destroyed the satanic Russian forces.

[Jacks] Even by means of nuclear terror?

[Dudayev] Yes, the radioactive container that was found in Moscow in November was only the beginning.

Basayev Threatens 'Mass Terror' on Russian Territory

MM2401161696 Moscow IZVESTIYA in Russian 25 Jan 96 p 2

[Report by Aleksandr Kakotkin and Yuriy Snegirev: "Raduyev Is Prepared To Repeat Kizlyar. He Told Our Correspondents This in a Novogroznenskiy Field Camp"]

[FBIS Translated Excerpt] Groznyy — On 23 January, on learning of the possible release of some hostages from Pervomayskoye, IZVESTIYA's correspondents set off for the settlement of Novogroznenskiy. That is the site of the main Chechen resistance base — Aslan Maskhadov's headquarters. [passage omitted]

Aslan Maskhadov, the mufti of Chechnya, and Shamil Basayev held a press conference in a local school. It was chaired by press minister Movladi Udugov. Those who were hoping to transmit their reports urgently were taken aback by his statement that his "Immarsat" satellite telephone had been cut off at the request of the Russian FSB [Federal Security Service]. He asked his colleagues to help in the difficult task of rescuing "Immarsat" from the evil influence of the FSB.

The participants' remarks produced a grave impression. Even the usually restrained Aslan Maskhadov set about promising Russia a great many unpleasantnesses in the event of the continuation of military operations. Shamil Basayev, for his part, reporting to those present that five more villages in Vedenskiy Rayon have been destroyed recently, promised to wage war on Russia from Moscow to the furthest borders, that is, all the way to Vladivostok. He added that fighting the troops in Chechnya is too costly, with substantial casualties and damage. It is much more advantageous to move combat operations onto Russia's territory, where mass terror must be unleashed. Although later all the speakers stressed that they are in favor of a peaceful solution to the Chechen problem and do not want to fight.

After an announcement that the handover of hostages would not take place today, five journalists set off for the exit. Coming down the corridor in the other direction, flashing his gold-toothed smile, was the notorious Salman Raduyev. On seeing IZVESTIYA's correspondents, he inquired: "How's things?" Asked whether he would repeat the Kizlyar type of operation, he replied unblinkingly: "Gladly!" On the subject of Aslan Maskhadov's decision to hand him over for trial, he shrugged: "He's just saying that, for the sake of politics." [passage omitted]

Russia: Raduyev Says Hostage-Taking To Continue

LD2401174296 Moscow Russian Television Network in Russian 1700 GMT 24 Jan 96

[From the "Vesti" program]

[FBIS Translated Excerpt] People began to gather in Novogroznenskiy, in the town center at around 1000, in the expectation that the hostages would be handed over. [passage omitted]

Salman Raduyev arrived at around 1100.

[Begin recording] [Raduyev] We will hand them over to Dagestan without any conditions. We will exchange the prisoners. We hold another 23 policemen as prisoners and the 28 or 29 hostages whom we took from the Groznyy heat and power plant.

[Unidentified correspondent] Much is being said today about the hostages from Rostov Region, the builders. Is anything known about their fate?

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[Raduyev] Nothing is known yet. All of the hostages who are captured in the future, builders and others who are captured in the future, our people will continue deliberately taking them until the last prisoner of ours in the hands the federal troops is released. [end recording]

The hostages are to be handed over at the crossroads behind me. This is Aleksandr Samoletov, Boris Agapov, and Mikhail Kulevich for Vesti from Novogroznenskiy.

AFP Reports Chechens Release 'Dozens' of Hostages

AU2401152396 Paris AFP in English 1417 GMT 24 Jan 96

[FBIS Transcribed Text] Novogroznyy, Russia, Jan 24 (AFP) — Chechen separatist rebels released dozens of civilian hostages Thursday [day as received].

The 40 to 50 hostages, seized two weeks ago in the southern Russian republic of Dagestan, were released and allowed to return to Dagestan, an AFP correspondent said.

Azeri Nationalists Aiding Dudayev's Regime

MM2501095196 Moscow KOMSOMOLSKAYA PRAVDA in Russian 25 Jan 96 pp 1, 2

[Article by Svetlana Turyalay under the "Day's Topic" rubric: "Why Is the Border With Turkey Open to Gunmen?"]

[FBIS Translated Text] Russian media have said quite a lot about the fact that weapons and mercenaries are getting into Chechnya from Turkey across the territory of Azerbaijan. At an improvised news conference at the village of Pervomayskoye FSB [Federal Security Service] Director M. Barsukov once again repeated several times that Azerbaijan indulges Chechen bandits by letting weapons and gunmen cross its territory.

Just one thing can be stated definitely in this regard: If something like this is happening, it is, indeed, not being done at government level. President Geydar Aliyev of Azerbaijan declared right at the start of the Chechen conflict that the war in Chechnya was Russia's internal matter, thereby greatly displeasing the country's radical parties.

It is mainly Azeri nationalist organizations with pro-Turkish leanings that have links with Chechen gunmen — for example, "Boz Gurd" ("Gray Wolves"). But a blow was struck against this organization: The authorities in Baku arrested its leader Iskender Gamidov, and his party was outlawed. It is now continuing to function underground under a different name, while Iskender Gamidov himself was sentenced to 14 years' imprisonment.

I managed to talk with the leader of the Azeri "gray wolves" shortly before his arrest. He reported not without pride that many of his volunteers were fighting with "friend Dzhokhar," with whom he has been on friendly terms since his cadet days. Gamidov also said that he had sent Dudayev several truckloads of medical supplies (read: "ammunition") from the Chechen diaspora in Turkey. A successfully conducted operation to rescue Dudayev's wounded son was the pride and joy of Azerbaijan's former minister of internal affairs. Gamidov personally had put out the rumor, which was picked up by the Russian mass media, that Dudayev's scion had been killed in battle, while at the same time he himself had taken him to Turkey for treatment.

How was this made possible? I put this question to Namik Abbasov, Azerbaijani minister of national security. This was his reply: "For several years now a visa-free regime has existed between Turkey and Azerbaijan. It was introduced long before the start of the military conflict in Chechnya. Why should Iskender Gamidov, who had robbed the state treasury of several hundred thousand dollars, have a forged passport made for Dudayev's son?"

The Azerbaijani minister of national security also reported that a simplified border crossing regime operates in Nakhichevan, and this is evidently how Chechens make their way to Turkish territory and back again. In reply to my question as to why Azerbaijani border guards do not detain them Namik Abbasov said: "It is not written on their forehead whether they are gunmen or not. Dagestanis, Russians, and people of other nationalities all cross the border in just the same way. Of course, suspicious persons are detained."

The border between Russia and Azerbaijan has been closed since December 1994 by decision of the Russian Government. Admittedly, people in Baku are inclined to believe that this prohibitory measure is connected more with Moscow's desire to pressure Azerbaijan still harder over questions of oil extraction and the status of the Caspian Sea than with the war in Chechnya. But, despite the fact that the Russian-Azerbaijani border is "locked," Chechen emissaries quite frequently visit Baku, as a rule using mountain roads to bypass border posts. Guns were still blasting away in Pervomayskoye, while at a news conference in the headquarters of the Azerbaijan People's Front members of Dudayev's parliament were sharing fresh information on what was happening in Dagestan.

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Baltic Defense Ministers Sign Cooperation Agreement

LD2301143996 Tallinn Radio Tallinn Network in Estonian 1300 GMT 23 Jan 96

[FBIS Translated Text] The defense ministers of the Baltic states signed a cooperation plan for 1996 in Tallinn today. Prit Ennet reports:

[Ennet] The cooperation plan for 1996 is based on the defense cooperation agreement concluded in February 1995 and is a more advanced and precise version of it. The plan for the year sets three main directions of cooperation. Estonian Defense Minister Andrus Oovel comments:

[Begin Oovel recording] The first is the preparation of the Baltic Peacekeeping Battalion for peacekeeping and for the new peacekeeping mission that has begun. Beginning in February, the Estonian, Latvian, and Lithuanian peacekeeping groups will take part in the peacekeeping operation in Bosnia under NATO command. We, all three states, are prepared to take part in [word indistinct] at the company level in six months' time.

As the second priority, we defined the drawing up of a project on joint airspace control and a surveillance system. Essentially, this means that each of the three Baltic states will have its own airspace control system, but all three Baltic states have access to information in national command centers.

As another priority, we set development of the ability of our naval forces to cooperate. This means that, although the three Baltic states have their own ships, they should attain the ability to cooperate so they can perform mining or minesweeping in the Baltic Sea. [end recording]

[Ennet] Andrus Oovel and his Latvian and Lithuanian counterparts—Andrejs Krastins and Linas Linkevicius, respectively—also made a joint statement in which they expressed satisfaction with the cooperation process so far and reiterated that they will continue working toward NATO membership.

Defense Minister Andrus Oovel does not rule out the emergence of a military alliance between the Baltic states, but this would be a matter for the distant future:

[Begin Oovel recording] We, the three Baltic states, share the opinion that our task today is to develop real cooperation. On the basis of this real cooperation, maybe, indeed, one day a Baltic military alliance will emerge, but this is not our goal today. We would like to attain a situation where we would be able to assist each other during practical activities, and if one day such a document were to be signed, it would have practical content. [end recording]

[Ennet] Lithuanian Defense Minister Linas Linkevicius emphasized the need to focus, without deviation, on the main aim:

[Begin Linkevicius recording in English fading to Estonian translation] There is no need to substitute the main goal of our integration into NATO with other ideas because all of our efforts should be focused on that main goal. So when we become NATO members, we will be an alliance. [end recording]

CIS: ITAR-TASS Carries Press Review for 25 Jan

LD2501072996 Moscow ITAR-TASS in English 0711 GMT 25 Jan 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] Moscow January 25 (ITAR-TASS) — Preparations for the forthcoming presidential elections, due to be held in Russia in June, is the principal domestic topic in today's Moscow-based newspapers.

ROSSIYSKAYA GAZETA states that Russia's Central Electoral Commission (CEC) has registered another six sponsoring groups which have nominated presidential candidates, including Aleksandr Lebed, Vladimir Zhirinovskiy, and Boris Fedorov.

The newspaper disputes the statement made by Russia's Democratic Choice leader Yegor Gaydar that Boris Yeltsin should give up the idea of offering his candidacy for the second presidential term of office.

"In Moscow, representatives of Russia's ten major metallurgical mills, such as the Magnitka, the Novolipetsk complex, Krasnoyarsk and Bratsk aluminum plants, have formed a sectoral sponsoring group for the nomination of a presidential candidate and have decided to support Boris Yeltsin," the newspaper reports.

ROSSIYSKIYE VESTI on the virtual start of a presidential election race.

A presidential election race, it seems, has begun in Russia. On January 15, Boris Yeltsin announced the setting up of an All-Russia Headquarters (ARH) to prepare the election of a president of Russia.

"Such an initiative has apparently baffled and frightened the domestic electioneering pros. Some of them rushed into upholding the letter and spirit of 'legality'. CEC Chairman Nikolay Ryabov, in particular, regards as inadmissible the possibility of the ARH's transforming into the headquarters of any one candidate".

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Mikhail Krasnov, assistant to the president on legal affairs, has told the newspaper that the attempt by the CEC and the State Duma to question the legitimacy of the setting up of the ARH is untenable.

Krasnov said that "this kind of structure is not regulated by legislation in any way. The ARH has been set up not 'for this particular president' but with a view to helping Boris Yeltsin select a person for presidential nomination, who would be able to keep the Constitutional order and values intact".

"When giving an assignment to set up an electoral headquarters, the president proceeded from his Constitutional task, which cannot be accomplished in an unconventional political or legal situation without using most diverse organisational and legal methods," Krasnov emphasised.

IZVESTIYA on the Solzhenitsyn nomination idea.

If none of the already known presidential candidates arouses the sympathies of the Russian democratic public, it remains to request Aleksandr Isayevich Solzhenitsyn to run for the presidency, Lev Timofeyev, a prominent human rights campaigner and writer, points out in an article headlined "Shall We Surrender the Country to the Communists?".

"If Russia proceeds along the road of democracy, the country is in for continued uncertainty: both triumphs and setbacks, bewilderment, ups and downs. But if the country is destined to fall under the sway of the Communists once again, this road is plainly visible... Together with the whole of mankind, we have already had an occasion to experience what that means," Timofeyev writes.

PRAVDA on Boris Yeltsin's opening remarks at the Federation Council session.

Some people viewed Boris Yeltsin's opening remarks at the Federation Council session as the setting out of his 'election programme' while others came to regard the remarks as complete surrender of the previously gained democratic positions.

"There was nothing of the kind. The president's remarks were mainly of standing nature", points out the writer of an article to this effect.

"What frightened the neo-liberals in presidential remarks was that he placed them on the same footing with the Communists by saying that Russia had experienced many a doctrine ranging from ultra-Communist to ultra-Liberal ones.

"In actual fact, those remarks did not manifest any change of policy. There is only a certain shift of politics towards the centre under the impact of Russia's overall movement to the left.

"It is naive to think that the president becomes a restorer of Communist ways or a person who realises the goals of the opposition. The transformation of Boris Yeltsin into a Communist again is tantamount to suicide," the author of the article points out.

IZVESTIYA on the prospective rise in wages and pensions.

The newspaper frontpages an article headlined "The Duma raises wages and pensions. A price rise should be expected now".

The article deals with the new Duma's first legislative initiative — the passing of the first reading of a bill raising wages and salaries by 20 percent and augmenting pensions up to almost 76,000 roubles.

Mikhail Zadornov (Yabloko faction), chairman of the Budgetary Committee, is of the opinion that this decision is obviously of populist nature, since it is not known where the money should be taken from. The pay rise will require neither more nor less than 1,300,000 million roubles monthly.

In the opinion of the sponsor of the bill, Sergey Kalashnikov, a Duma member from the Liberal Democratic Party of Russia, "The matter was brought up for discussion, because, according to law, the indexation of pensions, wages and salaries should be effected every three months. The previous indexation was carried out on November 1, last year".

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Russia: Afanasyevskiy Criticizes NATO Eastward Expansion

LD2401172596 Moscow ITAR-TASS World Service in Russian 1312 GMT 24 Jan 96

[By ITAR-TASS diplomatic correspondent Denis Perkin]

[FBIS Translated Text] Moscow, 24 Jan (ITAR-TASS) — "NATO expansion to the east by definition is not in line with the interests of the peoples of Eurasia," Deputy Russian Foreign Minister Nikolay Afanasyevskiy told an opening ceremony of the 15th conference of directors of European institutes of international relations, which opened in Moscow today. He noted the continuing "purposeful activities" by a number of political leaders of various countries aimed at the expansion of the North Atlantic alliance and said that "such an approach contradicts the tackling of problems Europe is facing."

The diplomat thinks that even just a discussion on NATO expansion is negatively affecting the political atmosphere in Europe. Afanasyevskiy thinks that it is necessary to invigorate cooperation and partnership with this organization without increasing the number of its members.

The disintegration of the Warsaw Pact and the USSR has created an illusion that a single-center world system can be set up, with the leading role played by the United States, the deputy foreign minister went on to say. However, Russia cannot accept such a system. "The main thing today is to think together and to work on the new architecture of security and cooperation which will be acceptable for everyone," he said. Afanasyevskiy described as "very important" that "the OSCE member-states have mutual understanding of the fact that Europe should be free from new and old lines of demarcation."

Representatives of 28 countries and eight international organizations are taking part in this three-day forum on the problems of world politics and security hosted by the Center for Political and International Studies.

Russian General Criticizes NATO Exercises in Northern Norway

LD2401202496 Moscow ITAR-TASS World Service in Russian 1510 GMT 24 Jan 96

[By ITAR-TASS correspondent Vasiliy Belousov]

[FBIS Translated Text] Murmansk, 24 Jan (ITAR-TASS) — Lieutenant General Konstantin Pleshko, commander of the Artic Group of Russia's border troops, described the NATO exercises in northern Norway near Russia's borders as a show of strength.

These exercises run contrary to the accords betweeen the border services of Russia and Norway, he said today in an exclusive interview to the ITAR-TASS correspondent. They are hardly likely to promote the strengthening of mutual trust, the need for which has frequently been stated by the Norwegian authorities at meetings with Russian state officials.

However, the general said, the Arctic Group of border troops has not adopted any additional measures to strengthen the protection of the northern borders. The border posts in this area are carrying out their service in the normal manner.

Joulwan's Visit Seen Signaling Moscow-NATO Rapprochement

MK2501114596 Moscow SEGODNYA in Russian 25 Jan 96 p 2

[Report by Pavel Felgengauer under the "Partners" rubric: "Temporary Coincidence of Interests Fills In an Empty Partnership. Russian Military Men Have Welcomed NATO Commander in Chief as a Dear Guest"]

[FBIS Translated Text] General Joulwan, NATO commander in chief, Europe, could not have chosen a better time for his Moscow visit if he had tried. Since the period from mid-1991 to early 1992 when first former Vice President Rutskoy and then President Yeltsin himself publicly articulated Moscow's wish to join NATO as a full member, Russia has never had better relations with Brussels.

In Bosnia, international peacekeeping forces — IFOR — are being successfully deployed under NATO command. At the same time, the military portion of the Dayton accords is being complied with accurately and nearly without cheating, despite fears at the main NATO headquarters in Mons (Belgium) that unruly, "wild" Bosnian snipers might start shooting at IFOR servicemen.

The armed forces of the Serbs, Muslims, and Croats turned out to be surprisingly disciplined. Like any army — fire, atrocities, or peace — everything is done on command. As long as all the main participants in the developments in the Balkans are interested in peace, General Joulwan and IFOR's military problems will boil down mainly to clearing the area of landmines. This idyll may prove to be short-lived, however, after a couple of months, when the Serb-populated suburbs of Sarajevo are due to be turned over to the Bosnian Muslims. Incidents are possible, but representatives of the main NATO headquarters think this to be not their problem, but that of Karl Bildt, who is in charge of the political settlement.

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In any case, the NATO main command does not need extra troubles with Russian peacekeepers. According to reliable sources in Mons, General Joulwan ordered his subordinates to treat General Shevtsov and other Russians with particular respect and deference. During his Moscow visit, George Joulwan did not spare compliments for the Russian brigade in Bosnia, the Russian army in general, and its command in particular. According to information from diplomatic sources, during their protocol dinner, Generals Grachev and Joulwan imbibed copiously (by American standards) and nearly became brothers. Yesterday, George Joulwan was taken to Naro-Fominsk to see how ordinary paratroopers break bottles on their heads — and then to the General Staff Academy, to give a lecture on friendship and partnership.

Moscow has been stressing for two years now that a partnership with NATO is the alternative to the alliance's expansion. Presently, expansion has been put on hold for some time, and the West clearly deserves measured encouragement in the form of resuming ties that have effectively been frozen. Russia is also interested in seeing peace come to Bosnia — and NATO troops pulled out fully and as soon as possible. Yet, according to informed American sources, General Joulwan confirmed once again during his talks in Moscow that all the troops will be withdrawn precisely in a year's time without fail, however the situation might further evolve in Bosnia.

Grachev, Joulwan 23 Jan Talks on Bosnia Detailed

MM2501125496 Moscow KRASNAYA ZVEZDA in Russian 25 Jan 96 p 1

[Article by Aleksandr Golts: "Peacekeeping Operation in Bosnia Chance for Cooperation"]

[FBIS Translated Text] The 23 January meeting between Army General Pavel Grachev, the Russian defense minister, and General George Joulwan, NATO Supreme Allied Commander in Europe, contrasted strikingly with the numerous pessimistic forecasts about the imminent cooling in relations between our country and the West. The joking dispute between Pavel Grachev and George Joulwan about which side Russian General Leontiy Shevtsov, who is now the NATO commander in chief's deputy for the peacekeeping operation in Bosnia, should sit on best characterizes the unforced friendly atmosphere which prevailed at the meeting.

And it is not only and not so much a case of personal sympathies here. The military leaders who met at the Russian Defense Ministry are now engaged in a single common and very important cause. General Joulwan drew an impressive picture of the peacekeeping operation which is now developing in snowbound Bosnia. Some 42,000 servicemen from the multinational forces have already been deployed. To transport them 2,000 flights were made and 300 trains arrived. One can imagine the strain under which the staff in Mons and similar structures in Bosnia are operating.

Here General Joulwan deemed it necessary to note what he called fine work by the Russian military at the first stage of the operation. Russian officers working in the joint air traffic control center in Vicenza operated so effectively that the NATO air force commander asked for their stay to be extended. It is planned to complete the Russian brigade's transfer by 27-28 January. Our airborne troops are now taking up their zones of responsibility in the Posavina corridor and the access to Sapna. "We are proud," Joulwan stressed, "that Russian soldiers are alongside us. They are very well trained, they are excellently equipped, and they have fine commanders. They understand well the aims and missions of the operation."

The separation of the warring sides has already taken place. General Joulwan's is still concerned at the insufficiently active exchange of prisoners. Moreover, foreign armed forces from among those who took part in the fighting remain in Bosnia and Herzegovina. They must be withdrawn. Political pressure is needed now to ensure their final withdrawal.

But more important tasks lie ahead. The exchange of territories must be carried out. Some 45 days after the operation one side should leave the region. It will be occupied by multinational forces which will ensure security there. And after another 45 days this region is occupied by the other side.

Pavel Grachev stressed that the most important issue is the danger of military incidents like the clash in Mostar. We must do everything to ensure there is no shooting and that the multinational forces are not drawn into the conflict.

General Joulwan believes that there is such a danger. And one of the peacekeepers' tasks is to help strengthen trust between the opposing sides. He deemed it necessary to note that in the Russian peacekeepers' region of responsibility together with the Americans they will be both on the Serb side and on the side of the Muslim-Croat federation. "We are all acting as a single team," the NATO commander in chief stressed.

Continuing this thought, the Russian defense minister stressed that in Bosnia today we have shown an example of how to different military structures can collaborate. And that is the best response to those skeptics who predicted failure, noting the differences in approaches

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toward the conduct of military operations and the management of the troops. It has been proven in practice that given good training for the troops and skilled commanders it is possible to organize collaboration. And that is a strategic success for our joint actions, Pavel Grachev concluded. (Incidentally that such collaboration has already become reality is stressed by the photograph by our photocorrespondent Viktor Khabarov, which has just arrived from Bosnia [accompanying photograph shows an American soldier and a Russian soldier apparently consulting a document together].

It is indicative that in this atmosphere of cooperation differences are receding to the background. Thus, General Joulwan was asked: Are the differences between Russia and NATO regarding NATO's expansion to the East not impeding military cooperation?

NATO's expansion, he replied, is a question which politicians are resolving. And they will take a long time to resolve it. It is now that we must concentrate on cooperation between the military in order to create a basis for mutual confidence. The Bosnia operation, in which troops from 34 countries have become involved in order to bring peace, gives an excellent chance of that.

PRAVDA Examines Implications of U.S. Intelligence in Bosnia

MM2401160496 Moscow PRAVDA in Russian 24 Jan 96 p 3

[Report by Vladimir Shelkov: "U.S. Intelligence Stepping Up Its Activity in Balkans: 'Quiet Americans' Go to Sarajevo"]

[FBIS Translated Text] Washington, 23 Jan — People here report, citing CIA sources, that it has been decided to set up a powerful agent network in Bosnia. The purpose of the impending clandestine operations will be to track the activity of the political and military opponents of the peace agreement signed in Paris by the parties to the Bosnian conflict and to exchange — where permissible — information with local law enforcement agencies.

Washington has already set up similar intelligence posts in the recent past when its troops were dispatched to perform various missions abroad. But in Bosnia, where we are seeing a NATO operation unprecedented in terms of the firepower of the troops involved and in which 40,000 soldiers and officers from other North Atlantic bloc states are taking part in addition to 20,000 U.S. servicemen, there is every indication that agent and intelligence backup on an appropriate scale will be required.

It is no accident that the U.S. special services intend to pool their efforts in Bosnia. As has become known, CIA personnel will work there hand in hand with agents from the U.S. Defense Intelligence Agency.

Right now specialists are saying that the CIA will be focusing its attention in Bosnia on paramilitary groups of Bosnian Serbs, the politicians who are expressing their dissatisfaction with the peace agreement, Croat war criminals and Croat ultranationalists concentrated in the region of Mostar, as well as groups of Muslim extremists, including those who have come to Bosnia from other Islamic states.

But who can guarantee today that the major new U.S. intelligence post in Europe will be curtailed or at least given a limited mandate once the year that the U.S. Administration and Congress have allotted for the peacekeeping operation in Bosnia is up?

That is why it is quite likely that the new CIA and Pentagon bridgehead in Bosnia is destined to be around for a long time. Given the invariably "heated" nature of this part of Europe and the powers' closely interwoven political, economic, and military interests here, you can easily imagine that the "quiet Americans" will in the near future try to extend their influence from this bridgehead to the Balkans as a whole.

Udovenko Hopes To Boost Ukraine's Bilateral Relations With FRY

LD2401135396 Moscow INTERFAX in English 1216 GMT 24 Jan 96

[FBIS Transcribed Text] KIEV, Jan 24 (INTERFAX-Ukraine) — A visit to the former Yugoslavia by the Ukrainian delegation headed by Foreign Minister Hennadiy Udovenko aims to boost bilateral political, trade and economic relations.

Udovenko stressed the need for expanded trade and economic relations in an INTERFAX-Ukraine interview Wednesday. "We have lost millions of dollars because of sanctions against Yugoslavia, and we would like to help Yugoslav restorations at the expense of corresponding funds," he said.

The delegation, which left Kiev this morning, includes deputy ministers of foreign economic relations and transport, and the head of the Danube river shipping company.

Meetings with Serb leaders will also focus on the participation of a Ukrainian peace-making contingent in the U.N. operation in Eastern Slavonia, said Udovenko. He plans to clarify the Ukrainian stand on the issue.

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"This visit does not mean we will develop relations with Yugoslavia, for instance, at the expense of Croatia," said the minister. Ukraine is expecting a visit to Kiev by Croat Foreign Minister Mate Granic, who is likely to come to the Ukrainian capital in February.

"We have no political obstacles in the way of our relations with Croatia," stressed Udovenko.

Kovalev Views Chechen Crisis, Russia's CE Membership

AU2501121596 Munich ARD Television Network in German 2130 GMT 24 Jan 96

[Interview with Russian human rights expert Sergey Kovalev by Sonia Mikich in Moscow on 24 January — recorded; Kovalev statements in Russian with superimposed German translation]

[FBIS Translated Text] [Mikich] Human rights expert Sergey Kovalev yesterday resigned from the presidential council in protest against the military action in Pervomayskoye. Yeltsin meanwhile prefers to solve conflicts through the use of force, Kovalev told us today.

[Kovalev] I do not want to cover up the lies of the leading politicians or spread the illusion that, despite differences of opinion, I still belong to Yeltsin's team. Neither do I want to deceive the western public.

[Mikich] Tomorrow the Council of Europe [CE] will vote on accepting Russia as a member. Kovalev mentions the great responsibility of the Europeans in case they vote in favor of accepting Russia as a member.

[Kovalev] They must commit themselves to support the democrats in this country, morally and financially. Moreover, they must define conditions towards Russia in the form of an ultimatum: end the war in the Caucasus, and resume negotiations with the Chechens unconditionally.

De Charette Favors Moscow's Admission to Council of Europe

BR2401143696 Paris LE FIGARO in French 24 Jan 96 p 3

[Report by Irina de Chikoff: "Council of Europe: Kremlin Pleads Its Cause"]

[FBIS Translated Excerpt] Moscow — Should Russia be admitted to the Council of Europe despite the continuing conflict in Chechnya and with the administration of Russia sliding toward what [former Russian Deputy Prime Minister] Yegor Gaydar defines as "imperialo-nationalism" with its roots in the communist program and the lurchings of Vladimir Zhirinovskiy [leader of the Liberal Democratic Party of Russia].

Before leaving Moscow, Herve de Charette replied in the affirmative: "I encourage" the foreign minister stated, "the French delegation to vote in favor of Russian membership of the Council of Europe."

Uncertain Vote

For the head of French diplomacy, who was received not only by his Russian opposite number Yevgeniy Primakov, but also by President Yeltsin, "there are two possible attitudes toward Russia. The first one is a skeptical and passive attitude, which consists of adopting an ideologically biased vision of the progress of the market economy and of watching Russia's progress toward reforms with a detached puritanical superiority. France has a very different attitude. Its attitude is that of a friend. We want to accompany Russia on its journey and to encourage it in its efforts, but without denying that there are snags." [passage omitted]

Lukin Urges Russia's Entry Into Council of Europe

MM2401181996 Moscow KOMSOMOLSKAYA PRAVDA in Russian 25 Jan 96 p 3

[Interview with Vladimir Lukin, chairman of the Russian State Duma Committee on International Affairs, by special correspondent Yelena Ovcharenko in Strasbourg; date not given: "There's No Such Thing as a Free Council of Europe. Today Russia Will Take an Examination at the Parliamentary Assembly in Strasbourg"]

[FBIS Translated Text] Strasbourg — On the eve of the discussion, the Assembly members were briefed on the arguments that had surfaced in two committees: the political committee and the committee on legal matters. Both of them were inclined to take the view, in general, that it is time we were admitted to this organization. The general mood was also defined to a significant extent by the positions adopted by the leading countries. Thus, Chancellor Kohl is applying every lever to ensure that Russia is not left out of the club. But, coincidentally, these discussions are taking place at a time that is not too good for our country's democratic image: Dramatic government reshuffles and the Chechen hostage tragedy do not fit in well with serene assurances of growing stability in Russia and the eradication of human rights violations. But nobody in Strasbourg is saying that we entirely meet the humanitarian criteria that must be complied with by countries that are candidates for the Council of Europe. The point is that Russia could be kept outside the organization until such time as it "drags itself up" to the required conditions. Or else it could be admitted in advance of that, so as to have some levers of influence on the course of changes.

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"What are Russia's prospects of securing a recommendation of admission to the Council of Europe? Which countries do not support the proposal?" — I asked Vladimir Lukin, for whom this trip to the Parliamentary Assembly was his debut in his newly regained capacity as chairman of the State Duma Committee on International Affairs.

[Lukin] I would assess the chances as they are today at 50-50. The big countries are inclined to take the view that it is better to support us; the smaller ones, including some of the Baltic and East European states, believe Russia is not yet ready for membership of the Council of Europe. They are wary of our dominating the organization, although given the 18 votes that our country would have and the unpredictability of Russian parliamentarians' positions, they need not worry. It is quite obvious that we will make an outstanding contribution to pluralism here.

[Ovcharenko] If we do join the Council of Europe, why will Russian taxpayers have to pay — depending on the form of membership — between $8 million and $30 million a year?

[Lukin] People like spending money on things they can hold in their hands. But in this case that is like saying that you have to buy bread, but books are not essential. Russia's entry into the Council of Europe is necessary above all to ordinary citizens rather than state structures. Because this organization can share with them a thousand years' experience of freedom embodied in laws, traditions, and principles of local self-government. If we want to be governed by laws and not by the bosses, if we want to be able to deal with bureaucrats by calling them to order from the standpoint of international law, then we must join the Council of Europe. [Lukin ends]

Vladimir Lukin does not foresee complications in the event of a decision in favor of admission. Although our "wedding" with the Council of Europe must be approved by the Russian deputies, the leaders of all factions except the LDPR [Liberal Democratic Party of Russia] have already come out in favor of membership. As for the money, our diplomats are trying to reach agreement beforehand to have Russia's contribution somewhat reduced.

It is a long time since we had any means of paying for lessons in democracy, however useful. But alas, there is no such thing as free counsel, still less a free Council of Europe.

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Political Issues

Yeltsin Appoints Kadannikov To Replace Chubays

LD2501125096 Moscow ITAR-TASS in English 1241 GMT 25 Jan 96

[FBIS Transcribed Text] MOSCOW January 25 (ITAR-TASS) — President Boris Yeltsin appointed Vladimir Kadannikov, the Director General of the AvtoVAZ car works, as first deputy prime minister who would be responsible for the economic policy, the presidential press service said on Thursday.

Kadannikov will replace Anatoliy Chubays who has recently resigned from the post.

The presidential decree appointing Kadannikov appeared after Boris Yeltsin had a meeting with the AvtoVAZ head on Thursday.

Kadannikov, 54, was one of the three candidates for the post of the prime minister in December 1992 when the architect of Russian reforms Yegor Gaydar had to step down. Viktor Chernomyrdin became the prime minister then.

Introducing Kadannikov to lawmakers at that time, President Boris Yeltsin said he was "strictly adhered to market economy principles and reforms". He characterised him as "an energetic and experienced leader who is alien to politicking and demagogy".

Last October Yeltsin decorated Kadannikov with the order "For merits before the Motherland".

Russia: Chubays Comments on Dismissal, Criticism

964F0861A Moscow ARGUMENTY I FAKTY in Russian Jan 96 No 4, p 5

[Interview with Anatoliy Chubays by Pavel Lukyanenko; place and date not given: "A. Chubays: 'Not Yet Evening'"]

[FBIS Translated Text] As we all know, Boris Yeltsin recently signed an edict dismissing Anatoliy Chubays as first deputy premier. At a news conference held shortly after this the president of Russia accused Chubays of mistakes which he had made in the pursuit of economic policy. Our correspondent Pavel Lukyanenko met with Anatoliy Chubays and asked him for his comments on the president's statement.

[Chubays] I could speak at length on this topic. Mistakes were made on some specific issues. We were wrong in the way we worked out the format of the conversion of LUKoil preference shares, for example.

There are some more general things concerning economic policy proper where we were unable to get done what we wanted. In 1995 we failed, for example, to resolve the arrears problem. The two- or three-month delay in pay, because of which tens of millions of people are suffering, is one of the most onerous and painful processes in the economy. Inasmuch as all this occurred against the background of declining inflation—down from 18 to 3 percent a month—this was inevitable. It is impossible to simultaneously tackle the problem of lowering inflation more than fivefold and to reduce the arrears. This "and" does not work in economics. But this does not make things any easier for the tens of millions of people who are not getting paid. It was clear to us, therefore, that a bigger, more radical move, which we made, was needed. The president recently signed an edict which grants very lengthy deferments in tax payments. The debts are not being forgiven here but postponed.

We spent a long time working on this edict, and very strong professionals were pulled in. At the same time, perhaps, we should have done this earlier. This goes back to the question concerning my mistakes. Perhaps we should have attempted this format not in January 1996 but in June 1995.

[Lukyanenko] What stopped you?

[Chubays] The hope that we could, for all that, tackle this task in simpler fashion. In the first half of 1995 the proportion of arrears was declining steadily in all parameters. In the latter half, as of July and August, it began to grow once again. We, however, were late in responding. This should, probably, have been done earlier. Then the situation in December would have been less difficult. This was one of my serious professional economic miscalculations.

[Lukyanenko] ARGUMENTY I FAKTY readers write: "Chubays gave everyone free vouchers, which people subsequently put in check investment funds and got burned." Don't you think that this also was your mistake? Later numerous financial company frauds, which, in turn, shamelessly robbed people, emerged. You, though, while in office, were simply really unable to bring the frauds to book.

[Chubays] I shall answer the second part of your question first. Yes, all that could have been done to alleviate the seriousness of the problem was not done, by and large. For all these financial companies to have operated in civilized fashion and for there altogether to have been the conditions for the circulation of securities in the country all these institutions should have been immersed in a very developed, familiar normative-legal environment. In other words, tens of thousands of questions of their operation—the exchange of shares, the procedure of valuation and the formation of authorized capital, and so forth—should have been

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analyzed and recorded in the form of laws, preferably a code even—a document of the highest level, that is. We managed to obtain from the State Duma very little at the level of laws, however. The law on stock companies only appeared after much struggle. At the code level we obtained only part one of the Civil Code. We were forced to effect a large part of legal regulation at the level of legally binding enactments and procedural and prescriptive documents. But this was patently insufficient. What happened was that the vehicle existed, and all its parts were, generally, connected, but a legal environment, which was lacking, was needed for it to operate normally. The mechanism screeched, sparks flew from the gears. Could more have been done? I shall venture to say that it could not. And the reasons here were political: getting 10 progressive bills through the Supreme Soviet and the State Duma was simply inconceivable. But, nonetheless, I do not absolve myself of responsibility either.

True, there is also another side of the matter, which I would call "not yet evening". I deposited my own privatization check in the First Voucher Fund. From which I was sent a form saying that they were ready to pay out dividends in shares of the First Retirement Fund. First Voucher has, accordingly, among its assets securities of certain enterprises. How is the price of First Voucher's shares determined? By the dividends. And where do the dividends come from? From the income of First Voucher itself. And where does its income come from? It depends on the profit made by the enterprises whose shares it purchased with all our vouchers. And the final question: What sort of profits do the enterprises in our country have? As of today—practically none. At the end of 1995 the country's economy had for the first time achieved zero growth, that is, the decline in production had ended. And the profits and dividends from this plant or the other are exactly what positive financial results it has. But there are none as yet, the slump has only just been halted.

What does this mean if we look back? This means that we have thus far received nothing. And if we look forward? We still hold, for all that, the shares, "pieces," of these plants, which are on the point of starting to operate, starting to yield a profit. Perhaps it will turn out that everything is not at all that tragic. In addition, it is perfectly clear that the moment real growth begins (and 1996 could perfectly well be a year of upturn of the Russian economy), the value of the shares which we all obtained, about which we had forgotten, and which we cursed will grow also. And it could be that whoever collected the shares and invested his efforts in this will make out very well. So in this sense it is "not yet evening," as they say.

[Lukyanenko] That is, had you remained first deputy premier, in a year people would be bearing you aloft?

[Chubays] I would not link this with how long I worked as first deputy premier. I am framing the issue in broad terms. We are in a sense doomed to success. Because when the Russian economy begins to grow (given a favorable turn of events, in 1996; unfavorable, in 1998; at the very worst, in the year 2000), the shares will begin to grow also, profits will begin to appear, and dividends will come. Of course, five to seven years is a huge length of time for the individual. For the economy, though, this is just a moment.

[Lukyanenko] It is said that Moscow Mayor Yuriy Luzhkov believes that your activity should be the subject of a Public Prosecutor's Office investigation. Are there grounds for this?

[Chubays] I have to disappoint Yuriy Mikhaylovich: the Public Prosecutor's Office did not fail to give privatization and the State Property Committee its attention. There have been 13 inspections at the State Property Committee and at the Property Fund in the past four and a half months alone. The inspectors are literally camping out there. Their inspections had one sole purpose—to destroy Chubays at any price. People in the State Property Committee worked and continue to work with a gun to their heads. And they were able, despite this, to obtain 7.5 trillion rubles in federal budget revenue in 1995. In November with this money we paid pensions, with this money we paid for a large part of the defense contract, with this money we complied with a substantial portion of budgetary obligations. And the hysterical statements to the effect that the privatization revenues have via the Ministry of Finance allegedly wound up in some foreign currency deposit accounts are utter rubbish. Even had we wanted to do this, it is inconceivable since it was only a matter of hours from the moment that the funds from the sale of the shares and from the collateral stock auctions were received until the moment that this money was disbursed to the retirees. So Yuriy Mikhaylovich and the Public Prosecutor's Office are a little bit overwrought. Although he himself, for about four years, has been beyond the reach of any inspection—since the time of the last inspection by Boldyrev's Control Department in the president's office.

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Yeltsin Names Kazakov Deputy Chairman of Government

LD2501102696 Moscow ITAR-TASS in English 0910 GMT 25 Jan 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, January 25 (ITAR-TASS) — President Boris Yeltsin issued a decree on Thursday, appointing Aleksandr Kazakov chairman of the Russian State Property Committee and deputy chairman of the Russian government.

However, Kazakov, who was deputy chairman of the State Property Committee in 1993-1994, will not deal with macroeconomic problems which ex-first deputy premier Anatoliy Chubays was responsible for, Economics minister Yevgeniy Yasin told Tass.

"Another first vice-premier will be appointed to replace Anatoliy Chubays", he said.

Yasin assessed Kazakov's appointment as "logical" because he had already worked in the State Property Committee.

In 1994 Kazakov was transferred to head the department on the work with territories in the presidential administration.

Kazakov is now replacing Sergey Belyayev who went to head the pro-government Our Home is Russia faction in the State Duma.

Yasin said the head of the State Property committee automatically gets the rank of a deputy premier according to existing rules.

Russia: ITAR-TASS Notes Kazakov's Background

LD2501102096 Moscow ITAR-TASS in English 1005 GMT 25 Jan 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW January 25 (ITAR-TASS) — President Boris Yeltsin issued a decree on Thursday, appointing Aleksandr Kazakov deputy chairman of the Russian government and chairman of the Russian State Property Committee.

Earlier, Kazakov headed the department for work with territories at the Russian president's office.

Aleksandr Ivanovich Kazakov was born in Moscow on May 24, 1948. He graduated from the Moscow Engineering and Economics Institute named after Ordzhonikidze in 1971 as economist engineer.

Kazakov knows German. Between 1973 and 1976, he worked at the State Planning Committee of the Soviet Union as junior researcher at the council on studying productive forces. Later, he worked at the Cheryomushki Communist Party district committee of Moscow between 1976 and 1984.

He was deputy chief of a department at the USSR State Committee for Science and Engineering in 1984-1988. Kazakov worked as deputy chief of a division at that committee in 1988-1892.

In 1992, Kazakov was appointed chief of the main administration for work with territorial committees at the Russian State Property Committee. Between 1993 and 1994, Kazakov was deputy chairman of the Russian State Property Committee.

In 1994, he became head of the department on work with territories at the Russian president's office.

Yeltsin Signs Edict on Prompt Payment of Wages

MM2401132296 Moscow KRASNAYA ZVEZDA in Russian 24 Jan 96 pp 1, 3

[Russian Federation Presidential Edict No. 66, "On Measures To Ensure Prompt Payment of Wages Out of Budgets at All Levels, Pensions, and Other Social Payments," signed by Russian Federation President B. Yeltsin in Moscow, the Kremlin, on 19 January 1996]

[FBIS Translated Text] For the purpose of ensuring the prompt payment of wages to employees of organizations funded out of budgets at all levels, of pay and allowances to servicemen and employees of internal affairs organs, and of pensions, grants, allowances, and other social payments out of federal budget funds and federal nonbudget funds, as well as clearing the federal budget's debts to state enterprises and economic societies and companies for the delivery of output in accordance with federal targeted programs, I decree:

1. It is prescribed that the leaders and officials of federal organs of executive power entrusted with the functions of paying wages directly out of the federal budget, as well as allocating funds from the federal budget for the purpose of paying wages to employees of organizations in the budget sphere, pay and allowances to servicemen and employees of internal affairs organs, and pensions, allowances, and other social payments, bear personal responsibility for the prompt making of the said payments in accordance with this edict.

2. It is prescribed that the leaders of federal organs of executive power:

who exercise the rights of a manager of funds allocated from the federal budget are obliged, in accordance with their competence, to issue in good time, but no later than three days before the payment date, a directive on the payment of wages to employees of organizations in

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the budget sphere, pay and allowances to servicemen and employees of internal affairs organs, and pensions, grants, allowances, and other social payments;

who exercise the rights of a manager of nonbudget funds are obliged to channel the said funds primarily into paying for work and services performed by organizations in the budget sphere, as well as paying for output supplied for federal state needs.

If monetary funds are not available from the accounts of a federal organ of executive power at the time prescribed in this point, the leaders of the appropriate federal organs of executive power who exercise the rights of a manager of funds allocated from the federal budget are obliged to issue a directive on the payment of wages to employees of organizations in the budget sphere, pay and allowances to servicemen and employees of internal affairs organs, and pensions, grants, allowances, and other social payments on the day the funds are received in the accounts.

The leaders of federal organs of executive power who exercise the rights of a manager of nonbudget funds and of funds allocated from the federal budget are prohibited from placing temporarily uncommitted financial funds in bank deposit accounts and making any expenditure of budget funds in cases where:

this will render it impossible to promptly pay wages to employees of organizations in the budget sphere, pay and allowances to servicemen and employees of internal affairs organs, and pensions, grants, allowances, and other social payments;

there are arrears relating to the payment of wages to employees of organizations in the budget sphere, pay and allowances to servicemen and employees of internal affairs organs, and pensions, grants, allowances, and other social payments on the day the funds are received in the accounts.

3. It is prescribed that officials of federal organs of executive power entrusted with the functions of paying wages directly out of the federal budget, as well as allocating funds from the federal budget for the purpose of paying wages to employees of organizations in the budget sphere, pay and allowances to servicemen and employees of internal affairs organs, and pensions, grants, allowances, and other social payments, who are guilty of delaying the said payments or the allocation of funds from the federal budget, are discharged from fulfilling the said functions by the leaders of the appropriate federal organs of executive power or are dismissed for a one-shot gross dereliction of their duties.

In the event of a violation of the duties entrusted by Points 2 and 3 of this edict to leaders of federal organs of executive power the chairman of the Russian Federation Government is obliged to submit to the Russian Federation president a representation for the dismissal of the leader in question.

4. It is prescribed that leaders of state unitary enterprises and establishments funded out of the federal budget who have allowed delays in the payment of wages to employees due to inefficient work, the placing of monetary funds in bank deposit accounts, and the making of payments from the enterprise's or establishment's accounts for purposes unconnected with the repayment of arrears relating to tax and other compulsory payments, as well as creditor debts, are to be dismissed for a one-shot gross dereliction of their duties.

Control over the implementation of this point is entrusted to the chairman of the Russian Federation Government.

5. It is prescribed that the state's representatives on the management organs of economic societies and companies in which there are shares [doli (pai, aktsii)] in state ownership are obliged, in the event of delays over the payment of wages to employees of the corresponding economic societies and companies, to convene within one month a general meeting of the participants (shareholders) in the corresponding economic society or company and to raise the question of dismissing the leaders (executive directors) responsible for the payment of wages.

6. The Russian Federation Government is to:

liquidate within two weeks the nonbudget funds of federal organs of executive power created by Russian Federation Government decisions and channel the funds so released into clearing the federal budget's arrears with regard to the payment of wages to employees of organizations in the budget sphere, pay and allowances to servicemen and employees of internal affairs organs, and pensions, grants, allowances, and other social payments, as well as submitting proposals for the liquidation of the nonbudget funds of federal organs of executive power created by Russian Federation legislative acts and Russian Federation presidential edicts;

submit proposals within two weeks to the Russian Federation president on the procedure for paying monetary recompense to members of the Russian Federation Government and to leaders of the Russian Federation Presidential Staff, the Russian Federation Government Apparatus, and the Russian Federation Ministry of Finance, with the provision that these payments must be made after all the fund transfers from the federal budget for the corresponding calendar period have been made for the payment of wages to employees of organizations

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in the budget sphere, pay and allowances to servicemen and employees of internal affairs organs, and pensions, grants, allowances, and other social payments;

approve and publish within one month a week-by-week schedule of the Russian Federation Finance Ministry's fulfillment of the federal budget's obligations relating to the payment of wages to employees of organizations in the budget sphere, pay and allowances to servicemen and employees of internal affairs organs, and pensions, grants, allowances, and other social payments.

7. The organs of executive power of Russian Federation components are to ensure control over the prompt payment from the budgets of Russian Federation components of wages to employees of organizations in the budget sphere and of pensions, grants, allowances, and other social payments.

[signed] B. Yeltsin, president of the Russian Federation
[dated] 19 January 1996

Yeltsin Seen Giving Up Democrats To Stay Afloat

MK2501093196 Moscow KURANTY in Russian 23 Jan 96 pp 1, 3

[Commentary by Editor in Chief Anatoliy Pankov: "Why Did Your 'Home' Lose, Mr. President?"]

[FBIS Translated Text] I was going to write on why "[Russia Is] Our Home" won the elections in Moscow, but the president's statement in the wake of Anatoliy Chubays' removal made me rephrase the question: Why did the NDR ["Russia Is Our Home"] lose in the provinces?

Bad is the politician who does not take account of changes (excessively rapid ones, in this country) in public opinion. One can well understand the logic of B. Yeltsin, who wants to stay on as president or to have one of his team keep the presidency, and who for this reason is getting rid of personages disliked by many voters on the assumption that he will not be able to win otherwise.

Chubays is far from the first victim in the president's political game. We have grown accustomed to this: Should anything untoward develop, any piece can disappear from the Russian chessboard so that the king may stay. The situation now is different in two respects, I think: First, the "victim" learned of his removal not from the press, as before, but he was asked to go of his own free will. The second, and principal, difference is that he is the last influential member of the Gaydar team made to go. But that is not what made me take pen in hand.

Yeltsin up and stated that Chubays is to blame for the fact that as few as 10 percent of voters cast their ballots for the NDR; that had he removed Chubays earlier, "Our Home" would have scored 20 percent.

Yes, many things can be held against Chubays (and the entire Chernomyrdin Government, for that matter). But never did I expect such a statement to come from the president himself. It is simply wrong to throw a rock at a departing man who for more than a year toiled day and night for Yeltsin's reforms, seeking to boost his [Yeltsin's] personal prestige. Chubays was indeed the linchpin of the government's reformist course in recent times — a course the president has not renounced, as far as I know.

With this accusation, Yeltsin, I think, has spoiled the game. How could Chubays have affected the voting results of a movement he has never been a member of? He was and is in "Russia's Democratic Choice." And "Our Home," Mr. President, is yours rather that Mr. Chubays'. Chernomyrdin is on record as having insisted that "Our Home" and the government are not the same thing. But to the extent that the president linked them together inseparably, would it not be more logical to blame the NDR's failure on the head of government (or is it coming to that, perhaps?)? Or to blame this failure on the fiasco of the agrarian policy presided over by representatives of a rival movement — M. Lapshin's party? Having wangled huge funds [for agriculture], the pro-Communist Agrarians frittered them away, as they did during all the years of socialist construction, with nothing really to show for them. More trillions were spent on this than were expected but not received from privatization a la Chubays.

I do not think the NDR lost the elections. I would like to offer a reminder for the benefit of the president that his own popularity at the moment is 10 percent lower than that of "Our Home." The 10 percent was indeed scored by a movement hastily put together and without a clear-cut ideological core. It scored [10 percent] despite the fact that it is actually responsible not only for all the errors of the transition period, but also for the consequences of the errors of other people, including the governments of latter-day "saviors" of the Fatherland of N. Ryzhkov's type, the CPRF [Communist Party of the Russian Federation]....

Why did the NDR score twice as many votes in the two Russian capitals as in the provinces? This is not only because the people of Moscow and St. Petersburg traditionally adhere to the democratic course, reforms. The thing is that reforms in these cities have made much greater headway. We can see in Moscow how actively businesses are growing, especially finance and

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trade. Given all the drawbacks, the population can sense the actual payoff of the changes. Moscow sets aside more funds for social protection of the population. Unemployment, which invariably attends the transition to market relations, is a fifth of what it is in the rest of Russia. Thus, social tensions in the provinces do not solely result from transition-period measures in effect all over Russia; they are also the result of inept, unprofessional, non-market and even anti-market and anti-reform actions of local bosses, most of whom are the same old Commies [kommunyaki] prepared to blame all the troubles on Yeltsin, Chernomyrdin, Chubays.... They say they have nothing to do with it. Nor has Zyuganov — he does not take the blame for anything, even for his ideological fathers who abused the economy for 70 years....

In these elections, the democrats won between themselves more votes than ever before. But they are fragmented, and it is for the reformer-president to unite them rather than to give them up one by one to please those who are far from having gained strength and holding any promise in future history. I repeat, it is necessary to take stock, but for how long will the president retreat, and is such a retreat justified at the moment? Our history has instances where even Moscow was surrendered for the sake of final victory. How about now? The president is only left with Moscow and St. Petersburg. Having surrendered one after another of the ideologists of the reform course, the president could lose the last bastion of his progressive policy — without having won by June any support from those he is flirting with.

Yeltsin, Soskovets Discuss Presidential Elections

LD2401192896 Moscow ITAR-TASS in English 1917 GMT 24 Jan 96

[By Oleg Velichko]

[FBIS Transcribed Text] MOSCOW, January 24 (ITAR-TASS) — Russian President Boris Yeltsin instructed the government on Wednesday to begin work to organise presidential elections in Russia, First Vice-Prime Minister Oleg Soskovets said after his meeting with the president.

"There can be no any documents [as received] regulating the procedure for organising any specific headquarters until Boris Yeltsin makes a decision on his participation in the elections," he said.

Soskovets said he is ready to appear in the State Duma to answer deputies' questions concerning a headquarters for election of a president.

"I am ready to answer all questions so that there will be no mutual claims concerning the future presidential campaign," he said.

Soskovets said he also discussed social issues with the president.

"This was a constructive meeting, because the president controls the situation in the country. The president has issued specific instructions concerning the fulfillment of the defence order, the implementation of programmes in the military-industrial complex and the payment of wages and salaries in the budget sphere," he said.

Soskovets said that he and the president also discussed the situation in the coal industry. "Social tension in this sector is of political nature at the moment," he said.

Shumeyko Movement Seeks Yeltsin's Reelection

LD2401193596 Moscow INTERFAX in English 1552 GMT 24 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 24 (INTERFAX) — The election of Russian President Boris Yeltsin for a second term is the tactical goal of the Reforms-New Course movement for the near future, chairman of the movement's Council Vladimir Shumeyko told a press conference in Moscow Wednesday.

"The movement would prefer Yeltsin to nominate his candidacy for a second term," he said.

"If the president refused to nominate his candidacy, society would take this to mean that everything during the reforms was done badly and improperly, and such a refusal will be viewed as a rejection of the course of reforms in the state."

"Yeltsin will be obliged to run for a second term," Shumeyko believes. Yeltsin "has nothing to repent or confess."

"Everything he is doing is the only possible way for reforms, without blood and without civil war," Shumeyko said. At the same time, many mistakes have been made during the reforms, by the government as well.

According to Shumeyko, his movement believes that it is necessary to implement "not spontaneous staff rearrangements, but to start with replacing the course of the reforms, and then to form a new government for this course."

An expanded session of the movement's Council in Moscow Thursday [25 January] will confirm proposals on correcting the reforms course to be submitted to Yeltsin. It intends to propose to Yeltsin to include

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these proposals in the president's annual message to the Federal Assembly.

"If the president does not accept our movement's proposals, it will not support him at the presidential elections," Shumeyko said.

Asked by INTERFAX how many democratic voters, apart from the ten percent who voted for the pro-government Our Home is Russia block on December 17, would support Yeltsin at the presidential elections, Shumeyko answered that the vote at the presidential elections differs from the vote at the elections to the State Duma and "one cannot compare them."

Officials Discuss Chances of Yeltsin Seeking Reelection

LD2401185396 Moscow INTERFAX in English 1724 GMT 24 Jan 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Sergey Medvedev, the Russian president's press secretary, believes that the resignation of Otto Latsis, Sergey Kovalev, Sergey Alexeyev and Yegor Gaydar does not amount to the beginning of an exodus.

"What was de facto has become de jure," he told INTERFAX.

Medvedev explained that all the four had been doing no work in the council recently and so the resignation of four out of 28 council members is not an important event.

Medvedev recalled that the president met with council members either before making important decisions or before trips. "These contacts, he said, were invariably useful in political decision making by the president."

Yegor Gaydar, chairman of Russia's Democratic Choice, explained his resignation in a letter to the president which read, "Unfortunately, the events of the recent week make my stay on the presidential council impossible."

Gaydar's party intends to ask Yeltsin not to run for presidency in the June 16 elections.

"I believe that his nomination would meet the dearest hopes the communists cherish. If the government party persists in nominating Yeltsin, the communists stand a good chance of winning," Gaidar said. He is convinced that the government party is committing suicide by staking on Yeltsin.

Sergey Kovalev explained that he left the Presidential Council and other councils and commissions in the presidential headquarters, where he served without pay, because Yeltsin has irreversibly departed from the policy of democratic reforms.

In his open letter to the president Kovalev said that "continuous preference for use of force to resolve political issues, the unjustified increase of the role played by the military structures and special services, the increasing seclusion of the state machinery, neglect of the public opinion, and poor choice of the top personnel have resulted in numerous crude violations of human rights in Russia and a civil war in the North Caucasus in which tens of thousands were killed in one year."

Kovalev said that he will not support Yeltsin in the presidential elections.

Meanwhile, Yevgeniy Nazdratenko, the governor of the Primorye, does not see an alternative to Yeltsin in the forthcoming elections.

Nazdratenko told INTERFAX Wednesday that replacement of the president would essentially imply a retreat. If Yeltsin is not elected, Russia will face disasters and the stable political course and economic reforms the president launched will be threatened, Nazdratenko believes.

"Despite the obvious errors, Boris Yeltsin has revised his views in recent days," Nazdratenko said.

Gennadiy Seleznev, the lower house speaker, believes that Yeltsin does not stand much chance of being reelected.

"The State Duma elections have shown that the executive authority does not carry much weight in the country," he told INTERFAX.

Seleznev believes that Yeltsin could go down into the Russian history as the country's first and last president.

Yeltsin should propose a constitutional amendment eliminating presidency as of January 1, 1997, Seleznev believes. Two thirds of Russians would support this step, he thinks.

Seleznev deplored Yeltsin starting an electoral campaign even before he officially agreed to run for presidency. The reshuffle of the government proves that this is so, Seleznev said.

Aleksandr Lebed, a leader of the Congress of Russian Communities, also believes that Yeltsin's chance to win the June election is zero, especially after the Kizlyar and Pervomayskoye tragedy.

"A shock for the country, international shame," is what Lebed had to say about the events related to the raid of

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the Salman Raduyev's gang on the town of Kizlyar and the village of Pervomayskoye.

Kalmuk President Kirsan Ilyumzhinov believes that Yeltsin is bound to win in Kalmykia.

Our Home Is Russia won an absolute majority in his republic, Ilyumzhinov said. Consequently, people believe in the reform even though many of them are discontent.

Ilyumzhinov told INTERFAX that a group which will nominate Yeltsin for presidency is being set up in Kalmykia. He added that neither Soskovets, who heads the election headquarters, nor any other Yeltsin's aide had told him to do so.

Amangeldy Tuleyev, the head of the Kemerovo regional legislation, believes that it would be crazy of Yeltsin to run for presidency.

He told INTERFAX Wednesday that it is Yeltsin's entourage that are pushing Yeltsin to make this error.

Tuleyev believers that the presidential entourage do not regard the opposition capable of uniting and pin their hopes on massive ballot rigging.

Yeltsin's authority is obviously declining, Tuleyev said. This improves the chances of Yeltsin's opponent who will most probably be Gennadiy Zyuganov, the Communist Party of the Russian Federation's leader.

Tuleyev did not rule out the possibility that the presidential elections will be called off. "This would play into the hands of Yeltsin and his entourage," he said. Tuleyev believes that a few terrorist attacks of the Pervomayskoye type in central Russia would make this scenario possible. But the president should understand that putting off the elections will not make his position stronger while the country will be submerged by riots and strikes.

Yeltsin himself has repeatedly said that he will announce his decision about running for reelection in the middle of February.

Daily Rebuts Critics of Yeltsin's Election Staff

MM2501125896 Moscow ROSSIYSKIYE VESTI in Russian 25 Jan 96 p 1

[Article by Pavel Anokhin: "Follow the Bandwagon! This Is How You Might Interpret Nikolay Ryabov's Comments on the All-Russia Staff Created by the Russian Federation President"]

[FBIS Translated Text] Russia's presidential election marathon seems to have started. As is known, on 15 January Boris Yeltsin announced the creation of the All-Russia Staff To Prepare for the Russian Presidential Elections, which is to be headed by Oleg Soskovets, first deputy chairman of the Russian Government. According to information available to ROSSIYSKIYE VESTI, his deputies will be Presidential Chief of Staff Nikolay Yegorov, his predecessor Sergey Filatov, and Moscow Mayor Yuriy Luzhkov.

Talking about the creation of the All-Russia Staff To Prepare for the Russian Presidential Elections, Boris Yeltsin stressed that it should not be linked to any specific name since it a staff for electing a president "in general." Answering questions from journalists at the Federation Council on 23 January about his running for another presidential term, the head of state said: "I am not talking about this yet; I have to wait a little to build up my strength as required. At present my doctors won't even let me play tennis, but I will soon be back to strength and then we will struggle."

This prospect evidently upset and frightened Russia's power struggle "professionals." In any event some of them plunged in concert into upholding the spirit and letter of "legality."

The first into battle was Nikolay Ryabov, chairman of the Russian Federation Central Electoral Commission, who can be confidently described as a champion political some aulter. I think that everyone will remember how in 1993, as deputy chairman of the Russian Federation Supreme Soviet, he read out such a savage anti-Yeltsin report that even Ruslan Khasbulatov went crazy and three weeks later went off to work for Boris Yeltsin.

Commenting on the head of state's initiative in creating the Staff, Nikolay Ryabov regards as "inadmissible" the possibility of the Staff for the Russian Presidential Elections being "transformed" into a staff of any "single candidate." Fueling passions, the Central Electoral Commission chairman was unable to conceal the demagoguery of his arguments, noting that as yet he is "unfamiliar either with this staff or with the documents relating to its formation." He drew journalists' attention to the point that elections in the country are organized and conducted only by electoral commissions, while state organs and officials only give assistance. While citing the Law on Elections for Russian Federation President, Nikolay Ryabov again refrained from commenting on it, admitting that it is difficult to assess a legislative act which is only beginning to be applied in practice.

Admittedly these words from a person who has repeatedly tried to prove in practice the validity of the Russian proverb that "a law can be interpreted many different ways" are being seen as a tease. We recall how Nikolay Ryabov, audaciously interpreting the legislative provisions governing State Duma elections, stripped

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"Yabloko" of registration of his own volition without any legal justification. Now, incidentally, many Russians, even those far removed from politics, suspect that this was a carefully conceived covert advertisement for Grigoriy Yavlinskiy and his colleagues.

The Central Electoral Commission played an independent political role in the election campaign. You can understand it when an electoral association is concerned about its image. But when such concerns take over an organization intended to be an impartial arbiter it becomes strange, to say the least. So what is the explanation for the attempts by Central Electoral Committee chairmen [plural as published] during an election period to have informal talks over a glass of wine with certain media leaders about creating a positive image for the Central Electoral Commission? At least this is what we were told by colleagues from a number of central newspapers. We cannot confirm or refute such information, of course. But if such attempts did indeed take place, they could also be interpreted as a desire on the Central Electoral Commission's part to conduct its own election campaign.

Thought should also be given to the Russian Federation Central Electoral Commission's place in the Russian state! This is not the first time it has sought a special political role, essentially turning itself into yet another branch of power. According to experts, the Commission has an extremely over-large staff and, judging by everything, is making anguished efforts to find a use for itself. You get the impression that taxpayers' money is being used to create departments which it is subsequently difficult to get rid of.

A man with many titles — Georgiy Shakhnazarov, former USSR people's deputy and former aide to CPSU General Secretary Mikhail Gorbachev — has also resurfaced form political oblivion. Georgiy Khosroyevich talks hypocritically in KOMSOMOLSKAYA PRAVDA about the constitutionality of the newly created staff, making almost a criminal case out of this act.

The new State Duma, too, did not miss its chance to show off its scruples, deciding to listen on 31 January to what Oleg Soskovets has to say about the legality of the All-Russia Staff To Prepare for the Russian Federation Presidential Elections. It would doubtless find nothing shameful in such a desire had the Communists, who now call the tune in the lower chamber of parliament, not previously presented a legislative initiative which prohibits them from transforming the Duma apparatus into their own preelection staff for the Russian presidential elections.

All such debates undoubtedly have a right to take place, but their synchronized and organized nature makes you wary. A series of apparently disparate facts and political examples makes the campaign now underway look like a unified sequence of cheating and unscrupulousness.

Commenting on the situation specially for ROSSIYSKIYE VESTI, Mikhail Krasnov, legal aide to the Russian Federation president, noted that the attempt by the Central Electoral Commission and the State Duma to question the legality of the head of state's creation of the All-Russia Staff To Prepare for the Elections is invalid. "Structures of this kind are not regulated by legislation in any way," he stressed. "The Staff has been formed not 'for the president' but to help Boris Yeltsin choose for nomination a person who will be able to preserve the constitutional system and constitutional values.

"The country's president has created a **political** staff which has completely different tasks than the Central Electoral Commission and is not encroaching on the Central Electoral Commission's exclusive rights."

So what was the reason for creating the staff? "For a long time many of us have been behaving as if things are proceeding in a country where nobody doubts that these elections will be followed by others at the due time," Mikhail Krasnov believes. "As yet, unfortunately, Russia is not in that category of country. Whether it becomes a stable democratic state and the foundations of the constitutional system and constitutional values are preserved depends to a decisive extent on who is elected president of Russia for the next term. Those who are inclined to examine any decisions by the president under the microscope should be reminded that he bears a historical responsibility for not only the present but also the future of Russia.

"The country's president is the main guarantor of its constitution. And any of his actions to perform this duty which do not contravene the Constitution or legislation are not only justified but necessary. In ordering the creation of the election staff he was proceeding from a constitutional task of his which cannot be fulfilled in an abnormal [nestandartnyy] political and without applying the most diverse organizational and legal methods."

The aforesaid also gives a clue to the money question, people in the Russian Federation President's State Legal Administration note. Questions of election campaign funding are spelled out in substantial detail in the Law on Russian Federation Presidential Elections, but these questions are closely linked to the election fund of a **specific** contender for the presidency.

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Russia: Lebed Willing To Back Another Presidential Candidate

LD2401202296 Moscow INTERFAX in English 1848 GMT 24 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 24 (INTERFAX) — General Aleksandr Lebed, presidential candidate from the Congress of Russian Communities, said that he is ready to withdraw his candidacy in favor of a person who would unite all political forces and lead the country out of the crisis.

Lebed said at a meeting with Russian writers in Moscow Wednesday that Russia faces the choice between being a great power and not being at all. "In order for Russia to become a great power, it needs a policy of national pragmatism," the main principle of which is: "what is good for the country is good for us," said Lebed.

He also said that there are five months left until presidential elections and the time must be used to work out measures to prevent the power from remaining in the hands of pseudo-reformers.

Lebed believes that "Russia needs a president who will be a master of his country. A master would not allow 42 percent of the population to live below the poverty line."

Russia: Six Presidential Candidate Groups Registered

MM2401125496 Moscow ROSSIYSKAYA GAZETA in Russian 24 Jan 96 p 6

["At The Central Electoral Commission"]

[FBIS Translated Text] The Russian Federation Central Electoral Commission has registered initiative groups of voters nominating the following candidates for the post of Russian Federation president:

Aman-Geldy Moldagazyyevich Tuleyev, chairman of the Kemerovo Oblast Legislative Assembly;

Viktor Ivanovich Anpilov, chief editor of the paper MOLNIYA;

Andrey Romanovich Volkov, temporarily unemployed (Moscow);

Gennadiy Andreyevich Zyuganov, Russian Federation Federal Assembly State Duma deputy;

Konstantin Natanovich Borovoy, chairman of the Economic Freedom Party;

Valeriy Pavlovich Popov, general director of the "Zemlya" Scientific Center.

The agents of the aforementioned initiative groups were also registered.

The Central Electoral Commission declined to register the initiative group of voters nominating Vladimir Vasilyevich Voronin for the post of Russian Federation president on the grounds that the agents' credentials had not been drawn up in the proper legal manner.

Russia: Alekseyev Quits Presidential Council

LD2401190296 Moscow NTV in Russian 1600 GMT 24 Jan 96

[from the "Segodnya" newscast]

[FBIS Translated Excerpt] Members of the Presidential Council are continuing to leave it voluntarily. [passage omitted] Academician Sergey Alekseyev announced he is leaving it today. Our correspondent Aleksandr Khabarov telephoned Yekaterinburg where Alekseyev resides permanently.

[begin recording] [Khabarov, in studio, over telephone] Sergey Sergeyevich, could you comment upon your decision to leave the Presidential Council and the Human Rights Commission?

[Alekseyev, by telephone] I think that this step has been dictated by the situation which has evolved in connection with the war in Chechnya, the situation which has evolved in our entire country, because I think that people who have a conscience, who have an acute sense of conscience, of civic spirit, should sound the alarm. The waging of a war in itself changes the entire situation on one territory or another, the realities, turning it from a civil situation into a situation of war. The sense that anything is eptable arises from that — that it is acceptable to kill. When a senior general says that there are practically no hostages in Pervomayskoye and that we are now going to open fire to defeat the enemy [words indistinct], that horrifies me.

[Khabarov] What do you think about what the president's press secretary said about you, Yegor Gaydar, Otto Latsis, and Sergey Kovalev recently being only nominally members of the Presidential Council?

[Alekseyev] Perhaps, perhaps, although I have to say, for instance, that Latsis and I, Gaydar less often, in any event were called to attend meetings in the Presidential Council in which a narrow circle participated. Recently I attended less and less frequently and I have not attended meetings for around a year, even meetings in which few participated.

[Khabarov] You are the fourth person to leave the Presidential Council in the past few days, is that a joint action?

[Alekseyev] No, not a joint action. This step has been dictated by the situation. It is alarm! It is alarm!. When

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things happen that create misfortune for the nation, for the country, the alarm is sounded. May our modest steps, I have already said so to your colleagues, be they heard or not, precisely sound as a sign of alarm, a small, modest sound of alarm, as much as we are able to make. Remember the alarm. If we have decided to build a law-governed democratic state, let us behave accordingly! [end recording]

Russia: Medvedev Calls Resignations 'Coordinated Campaign'

LD2401192096 Moscow ITAR-TASS in English 1852 GMT 24 Jan 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, January 24 (ITAR-TASS) — The latest statements by Sergey Kovalev, Sergey Alekseyev and a number of other political scientists about their withdrawal from the Presidential Council are "to a considerable extent of a rhetorical character and look like a coordinated campaign," Russian president's press secretary Sergey Medvedev told ITAR-TASS on Wednesday.

He noted that these actions are "too demonstrative and obviously timed to coincide with the beginning of the nomination of candidates for the post of the head of state."

"Boris Yeltsin reacts calmly to similar statements well understanding that this is a political demonstration the result of which will be used without delay by political opponents of the Russian president," the press secretary said.

"If you ask Kovalev and Alekseyev how many times they attended meetings of the Presidential Council in the last few months they will most likely reply that not a single time," Medvedev said.

The Council is a consultative body, and participation in it is voluntary and depends on the extent of activity of each member. "All who expressed wish not to work in the Presidential Council, may continue not to work as they have not worked up to now," he said.

According to Medvedev, the work of the Presidential Council "can be divided into two parts — visible and invisible." The first part passes in the presence of the press with announcing an agenda and so on. The second part, no less important, consists in the work of members of the Presidential Council with Yeltsin's apparatus, his aides and representatives of the administration on most important documents — an annual message of the head of state to the Federal Assembly, key draft laws and other acts which determine the most vital directions of the president's policy.

It is quite reasonable that Yeltsin decided not to gather all members of the Presidential Council, but to invite only experts on international affairs when discussing foreign political issues, and experts on the Russian theme when considering domestic problems, Medvedev said.

Sometimes experts specialising on this or that problem, who are not members of the Council, are invited to its meetings, the press secretary said.

The Russian president "highly appreciates these meetings which are very useful to him and help him work out optimal decisions," Medvedev stressed.

Russia: Kovalev Explains Reasons for Recent Resignations

LD2401225396

[FBIS Summary] Moscow NTV in Russian at 1635 GMT on 24 January carries on its "Hero of the Day" program an live studio interview with State Duma deputy Sergey Kovalev by announcer Yevgeniy Kiselev. In the interview Kovalev explains his reasons for leaving the Presidential Council and resigning as head of the human rights commission under the Russian president.

He says he is not convinced the Presidential Council has ever been influential and that it is mostly just a "camouflage."

A brief recorded interview is then played in which presidential aide Georgiy Satarov describes the departure from the Presidential Council of four of its members over the past few days as "deserting the ship."

Kovalev denies he is "deserting the ship." He describes his departure from the Presidential Council as a "desperate attempt, an appeal to society, and first of all to democratic politicians regarding Russia's difficult position." He says it is an appeal for democrats to unite.

Announcer Kiselev says "Hero of the Day" has contacted other members of the Presidential Council to find out what they thought about Kovalev's decision to leave it. Mark Zakharov, in a recorded interview, says he does not intend to follow Kovalev's example and that he intends to stay with President Yeltsin until the year 2000, "both as someone who votes for him and as a member of his Presidential Council." He says he does not know if President Yeltsin would win the presidential elections, but he wishes him success in them.

Asked to comment upon Zakharov's reply, Kovalev says:

"To put it crudely, it can be put like this — if not Yeltsin, then surely not [Vladimir] Zhirinovskiy! I

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do not at all wish success to Vladimir Volfovich or Gennadiy Andreyevich [Zyuganov]!"

He continues: "This is the essence of my position: I don't want a head of state who calls himself a democrat to carry out a policy of a position of strength of the national-patriots."

He says he supported the appeal made by Yegor Gaydar to President Yeltsin not to put himself forward as a presidential candidate.

Asked who he thinks might replace Yeltsin as the candidate of democratic forces in the presidential elections in Russia in June 1996, Kovalev says: "I fear these elections will be between a 'so-so' candidate, a 'bad' candidate, and 'very bad' candidate. But I think that if Boris Nikolayevich refuses to run for president, then Viktor Stepanovich Chernomyrdin might be a person who might have a chance of success, who shows restraint, at least, and common sense." He says Chernomyrdin is a "person who could still acquire votes" in the presidential elections.

Speaking of the requirements set by the Council of Europe for those wishing to join, Kovalev says: "Russia is far from meeting the obligatory European criteria in the sphere of human rights." The fact that Russia does not meet these criteria should be noted clearly and step-by-step measures should be outlined to bring Russia up to these criteria, Kovalev says. "The Council of Europe should bring pressure to bear upon Russia and should lend Russia support, not just consultative, but material support, too, as far as possible," Kovalev says.

Chernomyrdin, Officials Discuss IMF's $9 Billion Loan

LD2401205696 Moscow ITAR-TASS World Service in Russian 1240 GMT 24 Jan 96

[By ITAR-TASS correspondent Artem Protasenko]

[FBIS Translated Text] Moscow, 24 Jan (ITAR-TASS) — Russian Prime Minister Viktor Chernomyrdin held a working meeting today with Central Bank chairman Sergey Dubinin and First Deputy Finance Minister Vladimir Petrov to discuss the budgetary financing of the economy in the first three months of this year.

Sergey Dubinin told ITAR-TASS that the meeting also discussed the course of talks with the International Monetary Fund on granting a three-year credit to Russia for the sum of $9 billion.

Chernomyrdin Submits Black Sea Bank Agreement to Duma

MM2401162896 Moscow ROSSIYSKAYA GAZETA in Russian 24 Jan 96 p 5

[Russian Federation Government decree No. 1205, signed by Russian Federation Government Chairman V. Chernomyrdin in Moscow on 4 December 1995: "On Submitting for Ratification the Agreement on Establishing the Black Sea Bank of Trade and Development"]

[FBIS Translated Text] The Russian Federation Government decrees that:

1. The Agreement on Establishing the Black Sea Bank of Trade and Development, signed in Athens 30 December 1994, should be submitted to the Federal Assembly State Duma for ratification.

2. Albert Sergeyevich Chernyshev, Russian Federation deputy minister of foreign affairs, should be appointed as the Russian Federation Government's official representative during the Federal Assembly chambers' examination of the question of the ratification of the Agreement on Establishing the Black Sea Bank of Trade and Development, signed in Athens 30 December 1994.

[signed] Russian Federation Government Chairman V. Chernomyrdin

Miners Not To Relax 'Pressure' After Meeting Chernomyrdin

MM2401172196 Moscow IZVESTIYA in Russian 25 Jan 96 p 1

[Report by Aleksandr Dzyublo: "Miners Name H-Hour for Russian Government. 'Working People's Spring Offensive' Could Begin in Winter"]

[FBIS Translated Text] The Russian miners' intention to begin a general strike 1 February could quite probably be the prologue to large-scale protest actions against the Russian Federation Government's socioeconomic policy. Miners' representatives from many regions who arrived in Moscow on Tuesday [23 January] began a picket of the White House on Krasnopresnenskaya Embankment in the morning of 24 January. At first the expected number of participants was estimated at 1,000, and 300 miners set off for the capital from Tula alone. But in the end they settled on the "mild" version.

That decision was the result of the fact that the previous evening Viktor Chernomyrdin received representatives of the miners in his office, along with leaders of a number of ministries and central departments. According to ITAR-TASS correspondent Gennadiy Yezhov, who informed IZVESTIYA of the details of this meeting, the

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premier, as emerged from his remarks prior to the start of the meeting, was in fact intending to talk only with the miners, but on seeing representatives of the Ministry of Fuel and Energy, the Ministry of the Economy, the Ministry of Railways, etc., he invited all of them in, "since you're here." Although the journalists were allowed in only for a few minutes.

The discussion, which lasted twice as long as the planned hour and which, according to one of its participants, miners' trade union leader Vitaliy Budko, was "fairly frank," resulted in a number of steps on the premier's part. In particular, the head of the cabinet gave instructions for the miners to be paid 400 billion rubles of budget debt in the first quarter, and also promised the miners that they would be allocated $500 million of credit designated by the World Bank.

However, the miners consider these measures "half-hearted" and they do not intend to stop their pressure on the government. IZVESTIYA's correspondent has learned from circles close to the Chernomyrdin cabinet that at the beginning of last week the miners had a meeting with former first vice premier and the number two "Ch" in the government, Anatoliy Chubays, who was responsible for that sector. Journalists have been unable to discover what they talked about, and literally the next day the president's edict on Chubays' resignation was signed. After receiving, during today's picketing, the official text of the agreements reached with Chernomyrdin on Tuesday, the miners postponed the final decision on their subsequent actions to 25 January.

Meanwhile miners and other working people in Vorkuta have already made a final decision to begin mass protest actions 1 February. It is planned to declare a strike at all mines and other enterprises in the Arctic city and to hold a demonstration and a citywide rally, ITAR-TASS correspondent Viktor Makarov reports.

In the opinion of the leaders of the Vorkuta miners' trade unions, the protest actions could be on a mass, citywide scale, and it is not ruled out that they will take on a political hue, with demands for the resignation of the Russian president and government.

Miners Continue Protest; Insist on Meeting Yeltsin

LD2501081996 Moscow ITAR-TASS in English 0800 GMT 25 Jan 96

[By Igor Ivantsov]

[FBIS Transcribed Text] Moscow January 25 (ITAR-TASS) — Russian miners will continue picketing the Russian Government building on Thursday. They remained dissatisfied with decisions taken at a meeting with Premier Viktor Chernomyrdin last Tuesday and will strive for a meeting with President Boris Yeltsin, ITAR-TASS learnt from Ivan Mokhnachuk, deputy chairman of the Russian Committee of Independent Coal Miners' Trade Union (Rosugleprof).

According to Mokhnachuk, heads of Rosugleprof territorial committees noted at a meeting on Wednesday that miners are dissatisfied with decisions taken at the meeting with Chernomyrdin, since they do not resolve problems of the industry.

In this connection, they decided to demand a meeting with Yeltsin, along with picketing the Russian Government building.

The question on a possible all-Russian miners' strike on February 1 remains open for the time being. It may take place if measures are not taken to improve radically the situation in the industry, Mokhnachuk stressed.

Russia: Primakov Promises To Promote Regional Interests

LD2401182596 Moscow INTERFAX in English 1619 GMT 24 Jan 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Jan 24 (INTERFAX) — Russian Foreign Minister Yevgeniy Primakov pledged assistance to Russian regions in establishing and boosting their foreign economic ties.

Speaking at a meeting of the Russian regions' advisory council on international and foreign economic relations in Moscow on Wednesday, Primakov stressed the need to clearly define the powers of the federal and regional authorities, "while focusing on the preserving the territorial integrity of the country."

He noted that it is high time for the Foreign Ministry to "switch from just registering the state of affairs to determining the ideology of the regions' foreign economic activities."

This will also affect the Russian embassies which, as Primakov said, should start providing specific assistance to regions. "It is necessary to stimulate the external ties of the members of the Federation. Especially important are political, economic and cultural relations between Russian regions and CIS countries," he added.

Primakov particularly noted that the number of Russian regions' representative offices abroad will increase from 20 to 37 in the very near future.

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He also stressed the need to involve regions in the preparation of international agreements and negotiations with foreign partners.

The foreign minister called for a higher level of cooperation between the Foreign Ministry and the Ministry of Foreign Economic Relations and suggested merging their respective consultative bodies.

Primakov lamented that relations of Russian regions with foreign partners are often declarative. He stated with regret that Russian regions and republics focus on supplies of raw materials abroad, and pay less attention to the investment policy.

What is more, the nature of independent relations of Russian regions sometimes hampers the Russian foreign policy. This especially tells on protection of the Russian-speaking population. "At a time the Foreign Ministry notes violation of rights of Russian-speaking persons in some countries, the regions establish with them relations which run counter to the Russian general policy," said Primakov.

Appointments to Russian Government Reported

MM2501112796 Moscow ROSSIYSKIYE VESTI in Russian 25 Jan 96 p 2

[Unattributed report: "Cadres: Transfers, Appointments, Resignations"]

[FBIS Translated Text] By Russian Federation Government directive Aleksandr Dmitriyevich Khodyrev has been appointed first deputy chairman of the Russian Federation Committee for Patents and Trademarks. Viktor Vasilyevich Ivliyev has been appointed Russia's trade representative to Belgium to replace Ivan Dmitriyevich Ivanov, who has been relieved of this post in connection with his transfer to other work. At his own request Nikolay Pavlovich Medvedev has been relieved of his post as Russian Federation deputy minister for cooperation with the CIS states in connection with his election as a State Duma deputy.

Justice Ministry Registers Working Russia Movement

MM2501112296 Moscow PRAVDA in Russian 25 Jan 96 p 1

[Report from the PRAVDA/ITAR-TASS "In Brief" column: "Working Russia Looks to the Future"]

[FBIS Translated Text] After a year's delay, Working Russia was finally registered as a Russiawide sociopolitical movement by the Russian Federation Justice Ministry at the start of January. Its congress will be held Sunday 28 January. Its work will start at 1000 hours at the Rodina club (take the train from Kievskiy Station and get off at Vostryakovo).

Military & Space Issues

Russia: Defense Industry Conversion Program Ratified

MM2401151496 Moscow ROSSIYSKIYE VESTI in Russian 24 Jan 96 p 2

[Unattributed report: "Conversion Bound To Pay Dividends"]

[FBIS Translated Text] A Russian Government decree has ratified the Federal Targeted Defense Industry Conversion Program for 1995-1997. The program's most important target indicators are the commissioning of extra production capacity able to produce civilian output worth 41.1 trillion rubles (in 1995 rubles), the ensuing creation of more than 400,000 jobs for specialists released from military production and the production of import-replacing output in amounts equivalent to $1.4 billion worth of purchases from abroad.

Russia Launches 'Gorizont' Satellite From Baykonur

LD2501111996 Moscow Mayak Radio Network in Russian 1100 GMT 25 Jan 96

[FBIS Translated Excerpt] A new Gorizont series satellite ordered by the Russian Communications Ministry was launched today by the military space forces. The Proton-K booster rocket, which will put the spacecraft in geostationary orbit, took off at 1256 Moscow time [0956 GMT] from Baykonur space port. [passage omitted]

Federal Assembly

Duma Appeals to Yeltsin on Abkhazia Settlement

MM2501111496 Moscow PRAVDA ROSSII in Russian 25 Jan 96 p 1

["Appeal by State Duma to B.N. Yeltsin, President of the Russian Federation" — date not given]

[FBIS Translated Text] Highly Esteemed Boris Nikolayevich!

The State Duma of the Russian Federation's Federal Assembly has in its possession a draft decision by the Council of Heads of State of the Community of Independent States entitled "On Measures To Settle the Conflict in Abkhazia, Georgia" which has been approved by one of the leaders of the Russian Federation's Ministry of Foreign Affairs; this decision, by dint of the Vienna Convention on International Treaty Law, Article 2,

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Paragraph 1, subparagraph "a," is a draft international treaty of the Russian Federation.

The Russian Federation Federal Assembly State Duma proceeds from the premise that by dint of the Federal Law "On International Treaties of the Russian Federation," Article 15, Paragraph 1, Subparagraph "d," the said decision, as applicable to the Russian Federation, will, if it is signed by the heads of CIS member states, be subject to ratification in accordance with the requirements of the Constitution of the Russian Federation and the aforesaid Federal Law.

The clause saying that the decision by the Council of Heads of State of the Community of Independent States entitled "On Measures To Settle the Conflict in Abkhazia, Georgia" enters into force from the moment of its being signed contravenes the Federal Law "On International Treaties of the Russian Federation."

On the basis of the Federal Law "On International Treaties of the Russian Federation," Article 8, Paragraph 1, the State Duma of the Russian Federation's Federal Assembly recommends that when the decision by the Council of Heads of State of the Community of Independent States entitled "On Measures To Settle the Conflict in Abkhazia, Georgia" is signed on behalf of the Russian Federation, one should proceed from the requirements of Article 15 of the Federal Law "On International Treaties of the Russian Federation."

Russia: Duma Decrees Issued on Leadership Appointments

MM2501113696 Moscow ROSSIYSKAYA GAZETA in Russian 25 Jan 96 p 4

[Russian Federation Federal Assembly State Duma decrees No. 9-II "On the Deputy Chairmen of the Russian Federation Federal Assembly State Duma," signed by State Duma Speaker G. Seleznev on 18 January 1996, and No. 11-II "On the Chairmen of State Duma Committees and the Chairman of the State Duma Credentials Commission" signed by State Duma Speaker G. Seleznev on 19 January 1996, under the general heading "State Duma Decrees"]

[FBIS Translated Text]

On the Deputy Chairmen of the Russian Federation Federal Assembly State Duma

In accordance with Article 101 (Part 1) of the Russian Federation Constitution and Article 10 of the Federal Assembly State Duma-Russian Federation Parliament Standing Orders, the Russian Federation Federal Assembly State Duma decrees that:

1. Seven deputy chairmen of the Russian Federation Federal Assembly State Duma shall be elected.

2. Aleksandr Nikolayevich Shokhin is hereby elected first deputy chairman of the Russian Federation Federal Assembly State Duma.

3. The following are hereby elected deputy chairmen of the Russian Federation Federal Assembly State Duma:

Sergey Nikolayevich Baburin;
Svetlana Petrovna Goryacheva;
Mikhail Safarbekovich Gutseriyev;
Artur Nikolayevich Chilingarov.
[signed] G.N. Seleznev, chairman of the Russian Federation Federal Assembly State Duma
[dated] Moscow, 18 January 1996

On the Chairmen of State Duma Committees and the Chairman of the State Duma Credentials Commission

In accordance with Article 19 of the Federal Assembly State Duma-Russian Federation Parliament Standing Orders, the Russian Federation Federal Assembly State Duma decrees that:

1. The following State Duma deputies are hereby elected chairmen of State Duma committees:

State Duma Committee for Legislation and Judicial and Legal Reform: Anatoliy Ivanovich Lukyanov;

State Duma Committee for Labor and Social Policy: Sergey Vyacheslavovich Kalashnikov;

State Duma Committee for Veterans' Affairs: Valentin Ivanovich Varennikov;

State Duma Committee for Education and Science: Ivan Ivanovich Melnikov;

State Duma Committee for Women, the Family, and Young People: Alevtina Viktorovna Aparina;

State Duma Committee for the Budget, Taxes, Banks, and Finances: Mikhail Mikhaylovich Zadornov;

State Duma Committee for Economic Policy: Yuriy Dmitriyevich Maslyukov;

State Duma Committee for Ownership, Privatization, and Economic Activity: Pavel Grigoryevich Bunich;

State Duma Committee for Agrarian Issues: Aleksey Andreyevich Chernyshev;

State Duma Committee for Industry, Construction, Transportation, and Power Generation: Vladimir Kuzmich Gusev;

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State Duma Committee for Natural Resources and the Use of Nature: Aleksey Yuryevich Mikhaylov;

State Duma Committee for Ecology: Tamara Vladimirovna Zlotnikova;

State Duma Committee for Defense: Lev Yakovlevich Rokhlin;

State Duma Committee for Security: Viktor Ivanovich Ilyukhin;

State Duma Committee for International Affairs: Vladimir Petrovich Lukin;

State Duma Committee for CIS Affairs and Relations with Fellow Countrymen: Georgiy Ivanovich Tikhonov;

State Duma Committee for Nationalities Affairs: Vladimir Yuryevich Zorin;

State Duma Committee for Federation Affairs and Regional Policy: Leonid Andreyevich Ivanchenko;

State Duma Committee for Local Self-Government Issues: Andrey Aleksandrovich Polyakov;

State Duma Committee for the Affairs of Public Associations and Religious Organizations: Viktor Ilich Zorkaltsev;

State Duma Committee for Standing Orders and Organizing the Work of the State Duma: Dmitriy Fedorovich Krasnikov;

State Duma Committee for Information Policy and Communications: Oleg Aleksandrovich Finko;

State Duma Committee for Geopolitical Issues: Aleksey Valentinovich Mitrofanov;

State Duma Committee for Conversion and Science-Intensive Technologies: Georgiy Vasilyevich Kostin;

State Duma Committee for Culture: Stanislav Sergeyevich Govorukhin;

State Duma Committee for Tourism and Sport: Aleksandr Sergeyevich Sokolov.

2. State Duma Deputy Vitaliy Ivanovich Sevastyanov is hereby elected chairman of the State Duma Credentials Commission.

[signed] G.N. Seleznev, chairman of the Russian Federation Federal Assembly State Duma
[dated] Moscow, 19 January 1996

Seleznev May Join Russian Security Council

LD2401134196 Moscow INTERFAX in English 1209 GMT 24 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 24 (INTERFAX) — Duma speaker Gennadiy Seleznev calls for the earliest endorsement of legislation on the federal Security Council.

Pending its endorsement, Seleznev said, the Duma speaker could, "in principle," join the Security Council to be able to brief the Council on the Duma's moves. If, however, the Security Council members meet to air their personal views, it will make no sense for the Duma speaker to join that body, Seleznev told INTERFAX.

If he is invited to sit on the Security Council, the Duma speaker shall be free to discuss Security Council decisions with the other lawmakers. If he has no right to brief the lawmakers on Security Council moves, he would rather refrain from attending Security Council sittings, Seleznev also said.

The Russian Security Council meets under the chairmanship of President Yeltsin and brings together, among others, former Federation Council and Duma speakers Shumeyko and Rybkin.

Russia: Duma Presented Legislation Plans for Coming Session

LD2401213096 Moscow ITAR-TASS World Service in Russian 1242 GMT 24 Jan 96

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Translated Text] Moscow, 24 Jan (ITAR-TASS) — This year the State Duma of the second convocation intends to examine over 1,000 draft laws, of which 282 are to be given priority. The Council of the chamber adopted a decision to draw up an approximate program for examining the draft laws. The ITAR-TASS correspondent has learned that the program will be submitted to the State Duma for confirmation in February.

The Russian president is expected to submit 21 draft laws to the State Duma. These include: "On the federal bodies of executive authority," "On the procedure for the adoption of federal constitutional laws and federal laws," "On the Code of Laws of the Russian Federation." The president is asking for priority consideration of seven draft laws, in particular "On the Supreme Court of the Russian Federation" and "On the Federal State Service."

The government has already presented to the State Duma its preliminary list of draft laws consisting of 47

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items. Proposals have also come from the Federation Council and from representative bodies of the component members of the Federation.

The program will also take account of the proposals from the factions and deputies' groups, and this matter will be discussed at a special conference of heads of Duma committees headed by Aleksandr Shokhin, first deputy chairman of the chamber, and Anatoliy Lukyanov, chairman of the legislation and judicial-legal reform committee.

Of the over 400 laws passed by the State Duma of the first convocation, 117 have not yet gone into force. Some of them are undergoing review by the president and the Federation Council, while others have been rejected by the president and the upper house.

Russian Duma Adopts Law on Indexing Wages, Pensions

MK2501114696 Moscow SEGODNYA in Russian 24 Jan 96 p 2

[Report by Svetlana Lolayeva: "The Act on Indexing Pensions and Wages Has Become the First Law Passed by the New Duma. Duma Members, As Usual, Have Not Been Discouraged by Absence of Funds in the Treasury"]

[FBIS Translated Text] Unlike at plenary sessions last week, the distribution of the remaining Duma portfolios did not prevent the deputies yesterday from paying attention to their immediate duties, i.e., the enactment of bills and decrees. Care for electors certainly imbued the first legislative initiatives of the newly elected people's choices. The hunger strike of teachers at St. Petersburg's higher educational institutions, protesting against paycheck delays, urged the Duma members to adopt a special decree commissioning the Accounting Chamber to conduct an urgent examination of the situation with the funding of educational institutions and binding the government to take no less urgent measures to pay arrears of wages and to report about the fulfillment of the decree at the next plenary session on 31 December. In the course of a long discussion of the decree, initially concerning only St. Petersburg's higher educational institutions, it was extended to cover all others too.

Having settled the problem of higher education institutions' workers, the deputies took care about the workers in the budget-funded sphere and the pensioners. At the suggestion of Sergey Kalashnikov (Liberal Democratic Party of Russia), the deputies adopted in first reading two draft laws on raising minimum salary and minimum pension levels by a factor of 1.2 (up to 75,900 rubles) starting from 1 February. Mikhail Zadornov ("Yabloko"), chairman of the Budget Committee categorically opposed the adoption of these laws. He said that the unscheduled indexation of pensions and salaries, for which no funds were envisioned in the budget, would only lead to a new round of delays in their payment.

In a conversation with reporters, Sergey Kalashnikov admitted that the laws were adopted in violation of the regulations (a governmental resolution is required for the adoption of such acts) but expressed his conviction that the government would eventually have to agree to the Duma's decision.

Mr. Kalashnikov's conviction is grounded. According to some sources, some time ago, the cabinet has already been assigned the task to index pensions and salaries. Thus, the deputies, experienced in populist games, have simply played first, overtaking the president, who has lately been highly attentive to electors' wishes.

Regional Affairs

Yeltsin Promises To Pay Federal Debts to Maritime Kray

MK2501121396 Moscow KOMMERSANT-DAILY in Russian 25 Jan 96 p 3

[POSTFACTUM report: "The President Promises To Settle Debts Owed to Maritime Kray"]

[FBIS Translated Text] According to Yevgeniy Nazdratenko, head of the Maritime Kray administration, at his meeting with Boris Yeltsin yesterday, the president signed three orders to the government, whereby Maritime Kray is to be given emergency credits guaranteed by the Finance Ministry, and debts to the entire budget-funded sector, including the defense industry, are to be settled. The Maritime governor said that the budgetary debt to the kray presently amounts to 1,270 billion rubles. He added, however, that none of the similar orders signed by the president as far back as in 1994 have ever been fulfilled. During the meeting, it was agreed that practical measures should be taken to resolve the difficult economic situation in the Far East. The political situation in the country and the upcoming presidential election were also discussed.

Russia: Maritime Territory Becoming Drug Production Center

LD2501114296 Moscow ITAR-TASS in English 0924 GMT 25 Jan 96

[By Eduard Popov]

[FBIS Transcribed Text] Vladivostok, Russian Far East, January 25 (Itar-Tass) — The Khanka district situated in the south of the Maritime Territory, which traditionally

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specialised in fish processing, turns into a centre for mass production and marketing of marijuana which grows here in abundance.

Itar-Tass learnt at the drug control division on the Maritime Territory police department that over 35 kilograms of "pot" were seized in the Khanka district this January. Local drug dealers prepare hashish or hashish oil out of marijuana.

Middle-aged jobless women are mostly engaged in procuring and marketing marijuana. The average price of "the holy grass" is 75,000 rubles for 100 grams. Women often do not take even money from consumers, exchanging marijuana for foodstuffs.

This situation has developed due to unemployment which dripped the south of the Maritime Territory. The financial crisis stopped local fish cannaries, while workers, the bulk of whom consisted of women, were sent on unlimited leaves.

The criminal business connected with growing and marketing marijuana has become for them almost the only means of survival.

East Siberian Miners Turn Against Yeltsin

LD2501121396 Moscow Russian Television Network in Russian 0500 GMT 25 Jan 96

[Report over video from Irkutsk by correspondent V. Kodkin; from the "Vesti" newscast]

[FBIS Translated Text] Last year the country received most of its fuel — 30 million [metric] tonnes — from the miners of East Siberia who were among the last to lose faith in the government's promises to pay its debts. Four months without wages caused a sharp change in the coal-workers' thinking. Siberians are now sharply opposed to those who rule Russia today.

[Begin recording] [Ogurtsov] I want to address myself to our president, to our government. All of this is your doing. You have brought things to this extreme. You have put the people in this extreme situation. And I would very much like to ask you not to play games with the people because the Russian people are patient but only patient to a degree. The people put up with things for a long time but they make decisions very fast.

[Kodkin] Whom are you going to vote for?

[Ogurtsov] Well, I will not be voting for the current Boris [as heard] because we see the work he does, we feel the consequences of his actions.

([Kodkin] Yeltsin, Chernomyrdin? Whom do you prefer?

[Ogurtsov] I have no preference.

[Unidentified miner] I won't vote for Yeltsin either. [end recording]

Yeltsin Suspends Bashkortostan President's Edict

MM2401145996 Moscow ROSSIYSKAYA GAZETA in Russian 24 Jan 96 p 4

[Russian Federation president's edict No. 62, signed by Russian Federation President B. Yeltsin and dated Moscow, 18 January 1996: "On Suspension of the Republic of Bashkortostan President's Edict No. 256 of 16 May 1995 'On Measures on the Improvement of Exchange Control of Imports of Goods, Work, and Services by Enterprises, Institutions, and Organizations in the Republic of Bashkortostan in the Form of an Advance Payment'"]

[FBIS Translated Text] In connection with the publication of the Republic of Bashkortostan president's edict No. 256 of 16 May 1995 "On Measures on the Improvement of Exchange Control of Imports of Goods, Work, and Services by Enterprises, Institutions, and Organizations in the Republic of Bashkortostan in the Form of an Advance Payment," which contravenes the Russian Federation Constitution and Russian Federation laws, and in accordance with Part 2 of Article 85 of the Russian Federation Constitution, I decree that:

1. The Republic of Bashkortostan president's edict No. 256 of 16 May 1995 shall be suspended.

The president of the Republic of Bashkortostan shall be instructed to bring the aforementioned edict into line with the Russian Federation Constitution and Russian Federation legislation.

2. This edict comes into force the day it is signed.

[Signed] Russian Federation President B. Yeltsin
[Dated] The Kremlin, Moscow, 18 January 1996.

Russia: Regional Leader Criticizes Aid for Chechnya

LD2401185296 Moscow INTERFAX in English 1552 GMT 24 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 24 (Interfax) - Head of the legislative assembly of the Kemerovo region Amangeldiy Tuleyev is indignant at the decision by the Russian leadership to allocate 16 trillion rubles and $1 billion to Chechnya.

"The president says that there is no money to pay wages to miners, teachers, doctors, and at the same time he gives colossal sums of money as generous handouts to Chechnya," Tuleyev said in an interview with Interfax Wednesday.

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"It is possible to build two new capitals in Chechnya for this money," he said.

Tuleyev views the behavior of the federal authorities as absurd. "Having bombed Groznyy and left hundreds of thousands of people without any shelter, they then give tax payers' money to restore Chechnya to the detriment of the social needs of Russia's regions and districts."

According to Tuleyev, "nobody is able to control where the money allocated to Chechnya will be forwarded."

Russia: Ingush Leader Views Chechen Issues

LD2401192496 Moscow INTERFAX in English 1552 GMT 24 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 24 (Interfax) - President of Russia's internal republic of Ingushetia Ruslan Aushev today said he welcomed the Russian president's decision to earmark 16 trillion rubles and $1 billion for restoring the Chechen economy, but deemed it necessary to resolve political issues along with the restoration operation.

"Otherwise, it would be necessary to assign new money every year for restoring Chechnya [a breakaway Russian republic]," Aushev told Interfax Wednesday. "If the issue of war and peace in Chechnya is not resolved, these trillions may be wasted," he said.

To resolve the Chechen crisis politically, it is necessary "just to sit down and hold talks with the party which is waging combat actions with weapons in hands," he said.

With regard to a recent statement by Russian President Boris Yeltsin on the Chechen problem, Aushev said it was unreasonable to "hand out money on the one hand but on the other hand strike at Chechen strongholds."

The Ingush president also said he believed that part of the money disbursed to Chechnya should be transferred to Ingushetia because "dozens of thousand refugees remain on its territory for the second year."

Russian Government Measures for Relief of Dagestan Victims

LD2401170296 Moscow Russian Television Network in Russian 1400 GMT 24 Jan 96

[Report over video from Dagestan by correspondent Ye. Kravtseva, including recording of remarks by Government Deputy Chairman Yuriy Yarov — from the "Vesti" newscast]

[FBIS Translated Text] [Kravtseva] Yuriy Yarov, deputy chairman of the government, spoke today about the emergency measures which the government is taking to clear up after the terrorist act in Dagestan. The Cabinet of Ministers has taken a decision on implementing a decree signed by the Russian president yesterday on aid for individuals who were casualties of the terrorist act in the Republic of Dagestan and on measures to clear up after it.

[Yarov] We envisage allocating 304.9 billion rubles [R] for clearing up measures and a total of R35.5 billion for one-off help for those who suffered, families and specific individuals. And it is very important to note that the same decree stipulates that 20 percent of the above sum must be paid within one week to the government of Dagestan to implement the decree and the measures stipulated in the government resolution.

[Kravtseva] According to Yuriy Yarov, the government decided to pay members of the families of those who died an amount equal to 200 minimum wages. Those disabled and crippled will receive compensation of up to 100 times the minimum wage.

[Yarov] Everything possible will be done during this brief period for people to see and to be convinced that they live within one family, Russia, and that their pain, their misfortune, their sorrow are the sorrow of all those living in Russia. And we think that we will be able to do something today to enable everyone to see that this must never happen again.

Communists' Strong Showing Forces Budget Changes in Rostov

MM2501091096 Moscow ROSSIYSKIYE VESTI in Russian 24 Jan 96 p 2

[Report by Gennadiy Belotserkovskiy: "Don Authorities Changing Priorities"]

[FBIS Translated Text] Rostov-na-Donu — The State Duma election results for Rostov Oblast, where the Communists won 26.9 percent of the vote, have forced the local authorities to step up the social emphasis of the reforms. On the eve of the new year the oblast legislative assembly decided not to adopt the annual budget for 1996, restricting itself to adopting the budget for January. The annual budget will be substantially reworked, and it has been decided to exclude a large amount of spending on support for enterprises. These multibillion[-ruble] sums will be used for targeted social protection of the population, pensioners, the disabled, and so forth. The social section of the budget envisages ruling out situations whereby budget-sector workers go months without getting paid.

This decision has been largely influenced by the fact that budget support for "failing" enterprises is essentially having no results. Sometimes the injections of funds are totally mistargeted. The results of checks carried

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out by the oblast Prosecutor's Office into dozens of enterprises' utilization of their budget funds makes for sorry reading. Take the mines, which are more unhappy about government policy than anyone. Thus, funds earmarked for paying the miners' wages and for other social needs were used by A. Alatartsev, director of the "Rostovugol" Joint-Stock Company's Krasin Pit, to pay for a 6.6 million-ruble [R] trip to France for himself and to fit a R1.3-million mobile phone in his "Volga" car. At the "Rostovshakhtostroy" Combine the main accountants' office drew an interest-free loan of R3.7 million from funds earmarked for wages — even though three months' worth were owed to the miners.

Rostov City Hall has also decided to amend a number of economic programs.

Russia: Destruction Facility in Udmurtia Arouses Concerns

LD2401135696 Moscow INTERFAX in English 1219 GMT 24 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 24 (Interfax) - The government of Udmurtia, a Russian republic, plans to study the possible ecological risks to be posed by construction of a chemical arms destruction facility near the town of Kambarka.

A bio-medical and ecological study will soon be carried out in a 30 kilometer zone around the town, a government representative told Interfax. Kambarka houses an old stock of Lewisite, a blister w r gas marked for priority destruction under a federal program for destruction of chemical arms.

Under this program, Russia will destroy 40,000 tonnes of war gas stationed on its territory by 2005. Special facilities for destruction of yperite and Lewisite with an overall capacity of 1,850 tonnes a year will be built in Kambarka and the Gorny settlement, the Saratov region, at the initial stage of the program's fulfillment.

Research by the Volgograd toxicology scientific institute in the Kambarka region shows that the local risks (the possibility of premature death resulting from traumas, poisoning and so on) "exceeds the average indices in Russia by hundreds of times."

The financing of research in Udmurtia in 1996 will be supplied by the federal and republican budgets.

Economic Issues

Russia: Draft Program To Develop Oil, Energy Sector

MK2501100796 Moscow SEGODNYA in Russian 24 Jan 96 p 4

[ANI report: "The Russian Federation Government Intends To Adopt a Program of Developing the Fuel and Energy Sector Till Year 2000"]

[FBIS Translated Text] By the year 2000, oil production is planned to reach 309-310 million tonnes. This is said in the draft federal target program "Fuel and Energy" for 1996-2000, which is expected to be considered at the Russian Federation government meeting on 25 January. It will be introduced by Yuriy Shafranik, Russian Federation minister for fuel and energy. According to the draft document to be submitted for discussion for a second time, by 1997 oil production will stabilize at the level of 300 million tonnes due to increased development drilling. In 1998 and 1999, it will reach 304.8 and 307.7 million tonnes, respectively. According to forecasts made by Russian Federation government experts, putting into operation temporarily shut-in oil wells will give an additional 12-15 million tonnes of oil per year. In the period from 1996 to 2000, it is planned to open 125 oil fields, which will produce some 73.4 million tonnes of oil annually. The draft envisions that the capacities for transportation of oil products, amounting to 53 million tonnes in 1995, will reach 62 million tonnes by the year 2000. Over the period till the year 2000, 4,047 km of major oil pipelines will be put into operation. Due to the use of improved oil refinery methods, motor oil production will rise from 82 million tonnes to 110-118 million tonnes in the year 2000. The program envisions the development of large gas fields in Yamal peninsula and the Nadym-Pur-Tazovskiy region of Tyumen Oblast. Gas production in this region will grow from 520 billion cubic meters (1995) to 587-628 billion cubic meters in 2000. In 1996-2000, 12,400-16,100 km of main and manifold gas pipelines will be built. At its meeting on 25 January, the Russian Federation cabinet of ministers will also consider the question of holding an extended meeting of the Russian government, scheduled for 19 February. The meeting is expected to discuss the results of the country's socioeconomic development in 1995 and economic strategy for 1996. The discussion on a list of federal programs to be considered by the Russian Federation government in 1996 is also on the agenda of that meeting.

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Russian Government Approves Boosting Oil Production

LD2501112196 Moscow ITAR-TASS in English 1110 GMT 25 Jan 96

[By Artem Protasenko]

[FBIS Transcribed Text] MOSCOW January 25 (Itar-Tass) — The Russian Government approved on Thursday the programme up to the end of the century which aims to stabilise and boost oil production in the country.

Fuel and Energy minister Yuriy Shafranik said the programme would need some 702 trillion roubles (140 billion US dollars) of investments, including 106 trillion in 1996.

The implementation of the programme will stabilise oil production at the level of 300 million tonnes by 1997 and will increase it to 310 million tonnes by 2000. 125 new oil fields are planned to be developed.

The coal production is to increase to 250-275 million tonnes a year by 2000.

To finance the programme it was decided to export 15 million tonnes of oil duty-free in 1996 which would give the industry 270 million US dollars, as well as to use finances earned by mortgaging state bonds for the construction of major objects of the industry.

First deputy prime minister Oleg Soskovets, who chaired the meeting, said "the fuel and energy theme is the key one at the given stage" and all efforts should be exerted to fulfil the programme.

Prime Minister Viktor Chernomyrdin was absent at the meeting. A government spokesman said the premier was busy preparing for a visit to the United States and was also holding a scheduled meeting with representatives of Russian regions.

The premier is to attend a session of the joint commission headed also by US vice-president Albert Gore which opens in Washington today and which will focus on the possibility of attracting US investments into the Russian economy.

Russian Oil Industry Nonpayments Problem Viewed

MM2501110196 Moscow TRUD in Russian 23 Jan 96 p 2

[Article by Viktor Khatuntsev under general heading "Russia's Energy": "Oil: "Arrears to Its Extractors Have Reached 17 Trillion Rubles"]

[FBIS Translated Text] Last year, alas, the decline in oil extraction did not stop: Some 306.7 million tonnes were extracted together with gas condensate — 3 percent less than in 1994. The trouble in this leading sector is having a painful effect on machine building, on pipeline plants, and on the petrochemical industry. For a country which produced 570 million tonnes of oil in 1987 this indicator of decline on its own graphically illustrates the depth of the chronic crisis.

Journalists covering oil problems are hearing the following arguments: It is asked is it worth raising the question of the decline in extraction so acutely? If we extract less today there will be more left for our heirs.... The naivete of these ideas was obvious back at the time of the loud perestroyka rhetoric when the state was reviled as a "raw material tributary" and when not only journalists but also quite wise economists were groaning about the transfer of crude oil abroad before it had been refined in depth. How many emotional diatribes there were about how the USSR was being kept afloat thanks to oil and gas exports. And, they said, were it not for the Tyumen oilfields everything would have collapsed even before the stagnation era....

And what happened? The Union ceased to exist, radical reforms began, but there was nothing new on the energy carriers market. As before, so now, the country is living largely through the export of gas, oil, and oil products. Of the $32 billion received from the sale of energy carriers gas accounts for $13 billion and crude oil for $12 billion. That is not so much a help for the federal budget so much as its bulwark and were it not for these impressive currency receipts one does not know how the top finance experts would make ends meet.

So the decline in oil extraction is alarming. Here we must remember that it is a case of very specific production carried out mainly in extreme climatic conditions: in the taiga, swamps, and tundra. Skilled oil workers take years to train and the industry itself took decades to find its feet. We cannot now put this huge industry on hold as it were and leave thousands of Siberians and Northerners without a job. After all, our heirs, our successors, for which the present rhetoricians are so concerned were born and are living not in comfortable Moscow apartments but in squalid, freezing high-rise blocks, huts, and even ditches. Their future depends on their fathers' employment. On the extraction of oil. And since this extraction is declining with every passing year then obviously their families' social position is unstable. Many of them have already stopped going on summer vacation. Life has become inconceivably more expensive.

It would seem that the state which receives such revenue from the raw material sectors should given them favored treatment and in general do everything to promote their development and invest money in them. In actual fact it is all very hard to understand. At the end of the year

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Fuel and Energy Minister Yu. Shafranik announced not without satisfaction that the federal "Fuel and Energy" targeted program presented at a Russian Government session was assessed at 710 trillion rubles [R] and had been approved as a whole. But not long before that the Union of Oil and Gas Industry Workers issued a statement to the effect that "the continuation of the present economic policy in Russia and its toughening next year will lead to a reduction in oil extraction in the country by over 100 million tonnes a year and to the closure of over half the capacities of the oil refiners...." How are we to reconcile these positions?

"There is not enough money for wages or payments into the funds and more and more boreholes are being mothballed," says I.Gavza, deputy chief of the Ministry of Fuel and Energy credit and finance department. "There are 45,000 boreholes requiring repair, geological prospecting work is being wound down, and internal excise has increased to 80 percent. Many oil extracting enterprises are on the verge of bankruptcy."

Understandably, the oil extraction workers are suffering from nonpayments and there are lines waiting for the gas stations where, as we know, payments are in entirely real bank notes. Nonetheless even within vertically integrated oil companies, that is structures seemingly enclosed in a single complex of economic interests, nonpayments have become a commonplace phenomenon: The oil is extracted but there is no financial return for months. The oil refinery workers blame their partners from the petroleum products supply offices and they in turn "retort" with their own counterarguments: What do you want, the market is outside....

In the search for trillions of rubles to patch up the holes in the budget, the operational commission for the improvement of the system of payments and accounts has decided to take on the oil companies — starting with "Nizhnevartovskneftegaz" with its debt of over R1 trillion. The "black list" published by the federal administration for insolvency (bankruptcy) includes very large oil and gas extracting enterprises — "Yuganskneftegaz," "Lukoil" with its subordinate structures, "Surgutgazprom," and "Nadymgazprom...."

It is time to start panicking if these "giants" are associated with "bankruptcy." It is true that the presence among the fourth and fifth dozen names on the list of railroads like Oktyabrskaya, Sverdlovskaya, Gorkovskaya, and Moskovskaya and of truck building giants like "AvtoVAZ," the Gorkiy Truck Plant, "Moskvich," and a number of leading metallurgical combines makes one think that the government organs in their convulsions are not masters of the situation with regard to understanding nonpayments and threatening gestures of this kind are rather of a demonstrative nature.

What can we say if arrears to the oil extraction workers alone are over R17 trillion! And what a heavy burden their debtors place on the gas industry workers: They have already gotten to the point of cutting off fuel supplies. If the mechanism of mutual debt offsetting is unbalanced it can hardly be put right by an administrative sledge hammer...

That the state has the right to regulate taxes, excise, and duty — as is practised throughout the world — is another matter. But here too the actions of our authorities and primarily the Ministry of Finances contain too much inconsistency. On the one hand the government decree provides for a reduction in export duty, which is important to the oil companies. But on the other the level of excise duty is raised by R3,400 a tonne. This taxation obviously will not provide impressive working capital nor investments but will merely be reflected in an increase in prices for crude oil and eventually for gasoline. After which an increase in the cost of many goods and services will not be avoided.

I once asked Fuel and Energy Minister Yu. Shafranik whether Russia, as the possessor of an enormous energy resources potential, can allow itself not to bring prices for them to the level of world prices on the domestic market for us, the population. "That is how it should be," said Yuriy Konstantinovich.

There is a lot of oil in Russia and known and predicted stocks amount to many billions of tonnes. After all, it is not enough to have uncounted wealth — you must also make skilled use of it and look to the future in such a way as to ensure that this wealth increases. It is with this that there are still serious problems and hitches. Any wise strategy without the funds for its implementation and without a clear-cut state policy is doomed to failure.

'Balkar Trading' Could Lose Oil Export Privileges

MK2501114996 Moscow SEGODNYA in Russian 25 Jan 96 p 1

[ANI report: "'Balkar Trading' Could Be Deprived of Its Oil Export Privileges"]

[FBIS Translated Text] According to a source at the Russian Federation Economics Ministry, the ministry intends to deprive the Russian-British "Balkar Trading" joint venture of its oil export privileges. In his words, the Economics Ministry has prepared a draft decree on the cancellation of the Russian Federation Government directive whereby the joint venture supplied crude oil to the U.S. company Mobil Oil.

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Optimism in Russian Economic Forecasts 'Illusory'

MM2501102296 Moscow PRAVDA in Russian 23 Jan 96 p 2

[Article by Yuriy Sakharnov, vice president of the Russian Union of Industrialists and Entrepreneurs: "Eagles with Clipped Wings. The Economy: State Optimism and Real 'Dynamism'"]

[FBIS Translated Text] Moscow — Our top authorities have one attractive feature: their calmness and unruffledness. Have you ever seen Chubays downcast? Never, he soars like an eagle. But why, then, have he and others failed to transmit their calm to people tired of reforms?

A forecast of the Russian Federation's socioeconomic development for 1996 has been prepared in the Economy Ministry — which, as people know, contains more than enough begetters of impracticable schemes — in two versions. But even the first version, the optimistic one, does not envisage an upturn. The second version, the pessimistic one, shows a 3-percent decline in GDP. But there is said to be yet another, a third version — a "black" version — which envisages an even deeper recession and a dramatic worsening of the whole economic situation.

Fine, people in the Economy Ministry may not be able see the wood for the trees, but what is the opinion of the producers, particularly those who managed last year to gulp down the water of life and raise their heads from the mire into which the Russian economy is plunging? This is what was reported at the Russian Federation Committee for Metallurgy Collegium in December by its Deputy Chairman L. Antonenkov. The first 10 months of 1995 saw 33.1 million tonnes of cast iron smelted as against 30.1 million tonnes in 1994. Likewise, the output of aluminum rose by 3.2 percent, refined copper by 10.7 percent, zinc by 36.2 percent, tin by 14 percent, nickel by 13.9 percent, cobalt by 27 percent, magnesium by 16.9 percent, and titanium by 13.6 percent. The whole problem here, however, is that the main increase was achieved in the first six months, while from May-June on the figures started tumbling. The soaring growth of electricity and transport prices and the introduction of the currency band were the cause. Exports now make a loss, and if they continue, it is only because contracts concluded at a time when the dollar was still rising have to be fulfilled.

Nor does the forecast for 1996 gladden the heart. The situation is no better in other sectors, either. For example, the VAZ plant makes a loss of 7 million rubles [R] for every VAZ car sold abroad. Exports which until recently were profitable are now ruining the plant. And it cannot back out — the plant is bound by its previously concluded contracts: 15,000 vehicles per month, representing 30 percent of the production program, have to be shipped abroad, losing hundreds of billions of rubles thereby. What, then, are the prospects here? It is appropriate to talk about bankruptcy here.

The Russian Union of Petroleum and Gas Industrialists also sees the present economic situation in its sector as extremely serious. In the opinion of the union's experts, the lack of a normal pricing policy toward the fuel and energy complex, the nonpayment of debts for fuel already supplied, and the tough tax squeeze are leading to an inevitable falling off in oil extraction in Russia. Today more than 70 percent of the petroleum industry's income goes on clearing debts, while the figure for the oil refining industry is around 75 percent.

The main producers are, as we can see, unanimous: Economic growth in 1996 is impossible. On the contrary, economic decline is absolutely inevitable. But what in that case, you will ask, is the basis for the assumption of the proudly announced imminent upturn?

Monetarist fantasy is at the root of the delusions here. The many years of efforts to achieve financial stability should yield results sometime. Now would appear a suitable time. The slump last year was minor. Inflation has waned. The budget deficit is minimal. In other words, the upturn should start this year.

All this is, of course, illusory. The reform methods which the Russian Government has now been employing under IMF leadership for more than four years are suitable for countries in the early stage of industrialization, when small and underdeveloped specialized production units employing primitive equipment and technology predominate. For developed industrial countries their employment means collapse and bankruptcy.

As for the slowdown in decline last year, this is solely due to the rapid expansion in exports . The decline in the domestic market was the same as in 1994. But in 1995 the government completely abandoned export restrictions. Hence the slowdown in the decline. It is not at all a case of government reform activity bearing fruit or enterprises adapting to the market. That did not happen, nor could it. What kind of adaptation can you speak of if nonpayments now exceed R400 trillion and wages are not paid for months?

The slowdown in the slump last year related to the expansion of exports is analogous to the situation whereby the crew of a hot-air balloon which is losing height but still has a good way to fly to its destination throws its stock of food and water overboard. The expansion of exports was the last resort of the Russian Government, which stubbornly refuses to revive the domestic market.

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And this reserve is now spent. According to the Ministry of Foreign Economic Relations figures, the rate of growth of exports was 37.3 percent in the first quarter of 1995, 20.7 percent in the second quarter, and 14 percent in the third quarter. Given another month or so and it will be more profitable to import what we are now exporting.

The question that arises here is why have profitable exports become lossmaking over six months. The reference to the currency band is merely a way into the question, not at all an answer to it. Yes, the dollar has stabilized. But why? The dollar exchange rate still remains higher than its purchasing power parity. You can still buy more goods for R4,500 in Russia than you can for $1 in the United States. How much more is another matter. For example, the Central Bank's current First Deputy Chairman S. Aleksashenko contends that $1 dollar is worth R1,900. Not so long back former Finance Minister Boris Fedorov cited a similar figure — R2,000. Be that as it may, it is clear that the dollar is still overvalued. Those who claim the opposite, that Russian currency is comparatively expensive while the American is, on the contrary, relatively cheap, clearly do not realize how big the difference is today between Russia and the United States. If they did, they would not say such obviously naive things.

But if the rate of the dollar is still higher than its purchasing power parity, this means that Russian exporters have hitherto found themselves in a favorable position. And if exports become lossmaking, the cause can only be that the outlay on exported goods in our country is higher on average than the rest of the world.

Our democrats love to say over and over again that Russia is a very rich country while not forgetting to stress at the same time that it is a country the Communists have reduced to poverty. As regards the "reduced" we will not — for want of space — argue, but, as regards "very rich," the following must be noted. First, it has to be said that we are not located in the middle of the Sahara, and second, the fact that we have resources does not mean that they are cheap. The point is that we do not have any. In Iraq, for example, you can buy 25 tonnes (!) of gasoline for $1, in our country you only get three liters. In South America bauxite is dug up by bulldozer, while we have to build mines in the North Urals.

Our resources are expensive, difficult of access, and sited far from the world's industrial centers. Hence the high extraction and transportation costs. Moreover, the West obtains fuel and raw materials primarily from countries where they lie on the surface. Can we compete against them? It is high time we realized that Russia is uncompetitive as a fuel and raw materials appendage. We enjoyed a pretty good life while developing our processing industry. But if we destroy it, we are done for. We will be able to sell oil and raw materials profitably at world prices only with better, more efficient fields. But there are not many of them.

West Siberia: There are no rich new fields like Samotlor (the oil there, incidentally, is the most expensive in the world) ready for development. The development of medium and small fields requires major investment and effective technology, which Russia has not possessed. The fact that for the time being the domestic oil price is still lower than world prices is due to two factors. The first is that the dollar exchange rate is clearly too high. Second, the prices take virtually no account of the gigantic capital investment made out of centralized sources during the Soviet period. But sedulous efforts are made to convince us that it is profitable to export crude oil.

Russia is not destined to flourish as a fuel and raw materials appendage. Exporting is profitable while the dollar is highly overrated. But the dollar is falling and will continue to do so, at any rate in real terms. Without going deep into detail, let us note that so long as our manufacturing industry produces, for example, television sets which are comparable with the products of such companies as Samsung or Panasonic in terms of price but substantially inferior in terms of quality, the dollar will be higher than its parity against the ruble. Growing imports, however, are ousting these production units. The dollar exchange rate is gradually converging with its parity. It is already becoming unprofitable — which we can actually observe — to export fuel and raw materials.

Our semibackward manufacturing industry acts as a kind of life preserver for the extracting industry. So long as it is not destroyed, it is still possible to export fuel and raw materials, because they are still cheaper than finished output which does not meet world standards. However, the collapse of manufacturing industry is leaving the extracting industry to face the world market on its own. And our natural resources are more expensive. What upturn therefore can we speak of? Eagles with clipped wings cannot fly.

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International Affairs

Ukrainian Delegation Split on Russia's CE Admission

WS2501095796 Kiev INTELNEWS in English 0018 GMT 25 Jan 96

[Report by Halia Pavliva]

[FBIS Transcribed Text] Kiev, Jan. 24 — Russia's application to join the Council of Europe [CE] received a setback earlier this week when the group's Parliamentary Assembly issued a statement from Strasbourg harshly criticizing the country for its conduct in the Chechen hostage crisis in Dagestan.

Ukraine's delegation to the assembly — formerly expected to be a source of support for the Russians — is split on the Russian membership application, with only eight of its 12 members saying they plan to vote favorably.

The CE Parliamentary Assembly statement, which was issued Monday [22 January], condemned "the taking of hostages as an act of terrorism and a flagrant violation of human rights, which no cause can justify."

But the statement went on to criticize the Russian reaction to the hostage situation, saying that "Russian authorities did not show sufficient concern for the safety of the hostages" and that "the apparent indiscriminate use of force cost the lives of many innocent people."

"The Chechen conflict cannot be resolved in a lasting way by the use of force," the statement concluded. "There will be no peace in the region, nor an end to terrorist attacks, without a political solution based on negotiation and on European democratic values."

"It's not the best time for Russia now in connection with the Caucasus situation, which has become aggravated," Ukrainian Socialist parliamentary faction leader Ivan Chyzh told journalists in Strasbourg, warning of the onset of a new "cold war" if the Russians were excluded from the CE.

"The new division of Europe will be different, and this is very dangerous," he said.

The Ukrainian Socialist also warned of a CE rejection's possible affect on internal Russian politics.

"In which direction will Russia go then — toward democratization or toward aggravation of the totalitarian regime currently existing there? It is clear that the latter version will be accentuated," he said. "This should be avoided at any rate."

Chyzh and other Ukrainians in favor of Russian admittance also point out that the Russians, who have had observer status in the group since applying for full membership four years ago, were active in support of Ukrainian membership, which received unanimous Parliamentary Assembly approval when the matter was voted upon in October.

Meanwhile, predictions are divided as to how the Ukrainian delegation will vote on the membership, which could be jeopardized if less than three-quarters of all voting delegates fail to approve.

While Chyzh was optimistic on behalf of the Russians, saying that the "overwhelming majority of our delegation members will support" the bid, particularly delegation head Boris Oliynyk, a Communist, others in the delegation have already announced their intention to vote no.

One year ago Russia's application on admittance to the Council of Europe was delayed because of Chechen events - Russian government used unacceptable, according to European standards, means of resolving internal political crisis.

Justice Minister Serhiy Holovatyy, a member of the delegation was quoted in Nezavisimost newspaper on Tuesday as noting that while Russia's CE application was delayed one year ago due to concern over Chechnya, "nothing has changed within a year, and situation in Chechnya has even worsened."

Hennadiy Samofalov, another member of the Ukrainian delegation, said that the Inter-Regional Deputy Group, the parliamentary faction to which he belongs, has authorized him to vote in favor of the Russian application.

According to Samofalov, eight members of the delegation will vote "for," three members will vote "against," and one will abstain.

Ukraine Official: 'New Cold War' if Council of Europe Bars Russia

LD2401213896 Kiev UNIAN in Ukrainian 1745 GMT 24 Jan 96

[FBIS Translated Text] Kiev [no date as received] — In an interview with Ukrainian journalists in Strasbourg regarding the tense debates on Russia's admission to the Council of Europe, Ivan Chyzh, head of the socialist faction in parliament and member of the Ukrainian parliamentary delegation at the session of the Parliamentary Assembly of the Council of Europe, said that if Russia was not accepted to the Council of Europe, a "new cold war" could be declared. UNIAN learned this at the Ukrainian Foreign Ministry today.

In his statement, Ivan Chyzh, in particular, noted that it was not to Ukraine's advantage that Russia should remain outside this European circle, to which Ukraine

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now belonged. If Russia's application to the Council of Europe is rejected, "an iron curtain" would go up precisely on the Ukrainian-Russian border.

Ivan Chyzh also said that at the time, the Russian delegation supported Ukraine's entry into the Council of Europe, although Russia, like Ukraine, was an observer. He noted that most of the Ukrainian delegation supported Russia's entry into the Council of Europe.

Russia Suspends Oil Supplies to Ukraine Refinery

LD2401180896 Moscow INTERFAX in English 1437 GMT 24 Jan 96

[FBIS Transcribed Text] KIEV, Jan 24 (Interfax - Ukraine) - Russian oil supplies to the Drogobych oil refinery, in the Ukrainian Lvov region, were suspended Tuesday, sources at the Ukrainian State Committee for Oil, Gas and Oil-Processing Industries told Interfax-Ukraine.

Staffers of the company in charge of the Druzhba oil pipelines added that the usual reasons for suspended Russian oil supplies are financial, when oil suppliers do not pay for transit services promptly.

Kiev sources said this can be viewed as Russian pressure on the current negotiations which are discussing the conditions of oil transits via the Druzhba pipeline. It was first planned to hold the talks from Monday through Tuesday afternoon, and finish them with the signing of a protocol.

Well-informed sources said the Russian and Ukrainian sides have failed to reach an agreement at the talks, and the negotiations are still going on. The tariff rate for Russian oil transit via Ukraine, which Ukraine wants to increase, may be an insoluble problem of the talks, said the sources.

In their words, Ukraine suggested the cost of oil transit be fixed in an agreement between oil suppliers and transporters, instead of an interstate document.

Staffers of the Druzhba company said that the pipeline is functioning normally, and oil supplies to the Czech Republic, Slovakia and Hungary are full.

Up to 120,000 tonnes of Russian oil have been supplied to the Drogobych oil refinery since early January 1996, about 70 percent of the overall oil supplies to the refinery.

Ukraine: Black Sea Fleet Ships Unfit to Sail

LD2401140696 Kiev UNIAN in Ukrainian 1015 GMT 24 Jan 96

[FBIS Translated Text] Sevastopol — A Black Sea Fleet ship was unable to come to rescue during the Avrasya hostage crisis for technical reasons, UNIAN learned from reliable military sources. The Kerch antisubmarine ship was declared unfit to sail when called upon to aid hostages at the Avrasya ferry, hijacked by pro-Chechen terrorists on Turkey.

A similar ship, Azov, failed the fitness inspection when fire broke out in its engine room.

Of all the ships checked, only the Yenisey hospital ship was found fit to sail immediately, the same source said.

Ukraine: Participation in Bosnia Peacekeeping

LD2401205396 Moscow INTERFAX in English 1619 GMT 24 Jan 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] BELGRADE, Jan 24 (Interfax - Ukraine) - Ukraine will participate in the peacekeeping operation that NATO is implementing in Bosnia and Herzegovina as a result of the Dayton agreements, head of Ukraine's Foreign Ministry International Organizations Department Vladimir Yelchenko told Interfax - Ukraine Wednesday.

Yelchenko is one of the members of the Ukrainian delegation on an official visit to Yugoslavia.

Ukrainian Ambassador to the Benelux countries Boris Tarasyuk and NATO Secretary General Javier Solana exchanged letters on January 19. "This should be viewed as conclusion of an agreement on the participation of Ukraine's contingent in the composition of the multinational forces," Yelchenko said.

The 240th Ukrainian battalion stationed near Sarajevo will be involved in the peacekeeping operations. Its strength was 550 men as of early January 1996.

Ukraine Official on Participation in E. Slavonia Operation

LD2401200496 Moscow INTERFAX in English 1552 GMT 24 Jan 96

[FBIS Transcribed Text] BELGRADE, Jan 24 (Interfax - Ukraine) - Two helicopter squadrons and a tank battalion from the Ukrainian armed forces will participate in the new United Nations operation in Eastern Slavonia, a part of Croatia inhabited by Serbs, head of Ukraine's Foreign Ministry International Organizations Department Vladimir Yelchenko said in an interview with Interfax - Ukraine Wednesday.

Ukrainian experts will also participate in the work of the U.N. temporary administration in Eastern Slavonia, he said.

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Yelchenko did not rule out the possibility that some of the Ukrainian employees of the military police stationed in Bosnia may be also transferred to the territory of Eastern Slavonia.

These issues will be discussed during negotiations between heads of Ukrainian and Yugoslavian foreign departments Hennadiy Udovenko and Milan Milutinovic in Belgrade Wednesday.

"The operation in Eastern Slavonia will be carried out without the military component, if possible," Yelchenko said.

"Military men will monitor the disengagement of the conflicting parties and the civil component, in which Ukraine will also take an active part, will carry the major burden," he said.

National Affairs

Kuchma Says Supreme Council's Vetoes Unconstitutional

LD2301211296 Kiev UT-1 Television Network in Ukrainian 1900 GMT 23 Jan 96

[FBIS Translated Text] Ukrainian President Leonid Kuchma considers that, given the absence of a Constitutional Court, the vetoes that the Supreme Council imposes on his decrees do not comply with the requirements of the Constitutional Treaty. During a meeting with Viktor Musiyaka, his permanent representative in the Supreme Council, the president stressed that all the controversial issues that arise as a result of this should be resolved in a positive manner through agreement and compromises proceeding from the requirements of law and legality, the president's press service reported today.

Kuchma on Problems in Privatization

LD2401165396 Kiev UNIAN in Ukrainian 1420 GMT 24 Jan 96

[FBIS Translated Text] Kiev — "There is no reason to be content," said Ukrainian President Leonid Kuchma at a meeting devoted to the issue of speeding up privatization. According to him, the problems in this sphere have, to a considerable extent, been caused by insufficient cooperation with the Supreme Council, the responsibility for which could also be placed on the executive power.

According to a UNIAN correspondent, the Ukrainian president noted that if the first positive steps of financial stabilization are not supported by the broad privatization process, the process of reform could lead to nothing. He said that the aim of privatization is "not to generate money for the budget but to combine property with an efficient owner."

Leonid Kuchma said he is against equal conditions for all forms of ownership, adding that this will only be possible if there are equal forms of development.

Ukraine Trade Unions Call For Improvements in Nuclear Plants

LD2401210096 Kiev UNIAN in Ukrainian 1420 GMT 24 Jan 96

[FBIS Translated Text] Kiev — The state of work and technical safety at atomic power engineering enterprises and in the industry was discussed at a plenary meeting of the central committee of the sectoral trade unions of nuclear power workers on 24 January, UNIAN learned at the press service of the Federation of Trade Unions of Ukraine.

A resolution adopted at the meeting declared that the state of affairs in the sphere of work and technical safety at the sector's enterprises does not correspond to current legislation, and recommended that Ukraine's State Committee for the Use of Nuclear Power, the central committee of trade unions, and the sector's trade union committees should eliminate shortcomings and improve conditions and work safety at enterprises.

Ukraine: Military Columnist Deplores Blowing Up Missile Silos

AU2401185196 Kiev UKRAYINSKA HAZETA in Ukrainian No. 2(84) 18 Jan 96 p 1

[Article by Lieutenant Colonel Vitaliy Chechylo: "What Did U.S. and Russian Defense Ministers Arrive in Ukraine For?"]

[FBIS Translated Text] "Today, on Friday, 5 January 1996, in Pervomaysk of Nikolayev Oblast, on the eve of the holy night when Jesus Christ was born, a part of Ukraine has died. A powerful explosion has mutilated our land...." I wrote these words in my notebook "for memory" and my heart sank with pain. Why and by what right did military ministers of two major nuclear powers — the United States and Russia — arrive in our territory, our independent state and supervise explosions on our land in front of the whole world? Why aren't missile silos blown up in their own countries?

Diplomats (including Ukrainian ones) will tell me: There exists such an agreement — the START-I Treaty, and we must disarm ourselves. Perhaps we should, but in what way and for whose advantage?

It is known to me, for example, that the 43d Missile Army in Vinnytsya had 176 missiles in its arsenal. Of

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them, 130 had liquid fuel and 46 solid fuel. All of them have been taken off the alert duty, and they are being neutralized and sold to Russia. In fact, however, they are being given away for free. For example, last year, Ukraine was supposed to receive 7 billion Russian rubles [R]. Just R4 billion was paid (right before Grachev's arrival), and even that money went mainly for paying Russian specialists, who are dismantling the missiles. This is who gains.

Today, the nominal cost of a missile transferred to Russia is $10 million. Russia is using our solid-fuel missiles mainly for commercial launches at the Plesetsk space-vehicle launching site, where it primarily fulfills expensive German orders.

What is going on at the 43d Army's missile sites? Swarms of foreigners loiter about there. These are largely Germans and Americans. They are looking thoroughly for "know-how" and also, clearly, for free. Apart from this, a multitude of commercial structures have been created around the Army, and they allegedly take care of retraining the missile specialists. Precisely how? For example, the wife of the Missile Army commander studies ecology in America and will then take a course in land recultivation....

The explosions [pidryvni diyi — a play on words that normally mean "subversive actions"], in which the Russian and American defense ministers — Pavel Grachev and William Perry — took part, were scandalous, humiliating, and dangerous for us Ukrainians. To begin with, such explosions are ecologically hazardous for Ukraine. The thing is that missile silos are filled with various pipelines in which there is still heptyl (rocket fuel) and amyl (nitric acid). It is impossible to clean them up completely, and nobody even tried to do so. It is known that, during the detonation of a powerful trotyl charge, heptyl and nitric acid get into the atmosphere and then precipitate in the form of toxic saline or nitric acid rains. Besides, as a result of blowing up the mine, whose depth reaches 30 or 40 meters, water-bearing and other earth strata become disrupted and water is poisoned.

We know that Americans do not blow up their own silos. They either cut them up or create museums in them. At the same time, blowing up Ukrainian silos does not bother the United States or Russia. What does Ukraine gain from this? It has lost its defensive positions and acquired, in place of the launch installations, a true moonscape with huge crater-shaped wounds, resembling craters of volcanoes or places of giant asteroid impacts. What kind of defense minister do we have that made gifts for foreigners and saw to it that these silos could never be used again even for peaceful purposes? Where does Ukraine gain?

Our Armed Forces could mount warheads with trotyl charges or high-precision weapons instead of nuclear charges in the 46 solid-fuel missiles, whose service life expires in the year 2010. Then not a single state would have told us what to do.

The head of the National Security Council keeps silence and so does the Supreme Council chairman. I am told that chairman of the Parliamentary Commission Borys Oliynyk did express protest on behalf of the parliamentary speaker. However, he should have personally spoken on radio and television, gone to the people in the street and said that we do not need defense ministers like Valeriy Shmarov. Deputy Stepan Khmara himself called for putting Valeriy Shmarov on trial for his crime against Ukraine. Yet, these are mere words. But Thomas all the while is busy with the chicken.

Ukraine: Attempt at Political Control of State TV Claimed

LD2301200896 Kiev UNIAN in Ukrainian 1830 GMT 23 Jan 96

[FBIS Translated Text] Kiev — "The cancellation of the 'Pislyamova' [Epilogue] program on the UT-1 channel is an attempt to exert political control on state television," Oleksandr Tkachenko, president of the "Nova Mova" TV company, said at a news conference on 23 January.

According to him, "Nova Mova" is refusing to cooperate with the national TV company "until the rules of the game are announced publicly."

Oleksandr Tkachenko said that "Nova Mova" was now trying to set up a powerful non-state TV channel similar to Russian NTV.

One of the leading journalists of the "Pislyamova" program, Volodymyr Skachko, noted that "some influential presidential aides were involved in the 'Pislyamova' affair, but it is impossible to prove their participation in this."

Possibility of Armed Conflict in Crimea Eyed

WS2401140196 Kiev VSEUKRAINSKIYE VEDOMOSTI in Russian 18 Jan 96 p 3

[Article by Serhiy Nestorenko: "Crimea: New Troubles in New Year? If Kiev Does Not Take Measures, International Disaster May Break Out"]

[FBIS Translated Text] **Political circles began to term Crimea a "delayed-action bomb" as far back as the dawn of Ukrainian independence. Fortunately, despite numerous gloomy forecasts, the "bomb" has not exploded so far, though its "fuse" has been lit**

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repeatedly. However, although Kiev has managed to put it out in time, it is still smoldering. Moreover, this year the situation on the peninsula may become even more explosive. The reason behind the conflict-inducing situation in Crimea lies, perhaps, in the lack of a unified strong power in the republic. What is currently reigning there is anarchy, or more precisely, a permanent battle for power among various forces. One can list at least five of them: the Ukrainian authorities, Moscow, the local authorities, Crimean Tatars, and criminals. Although there are different "loots" for which the opponents are competing, the most important one is Crimea's territory (the geopolitical factor) and privatized property (the economic factor). What may be the outcome of this battle, and what should one expect on the peninsula this year?

Is Moscow's Hand Strong?

The strength of "Moscow's muscles" in Crimea has always been directly proportional to Russia's domestic political process. As a rule, outbreaks of anti-Ukrainian sentiments on the peninsula coincide with election campaigns in the Russian Federation. It would be a mistake, however, to boil down the "Crimean" activities of Moscow to a method of scoring points by Russian politicians because those who want to see Crimea as Russian prevail among the helmsmen of the Kremlin's course.

An analysis of the current situation in Russia leads to the following distressing conclusion: Attempts to destabilize the situation on the peninsula will most likely intensify. First of all, this is furthered by the election of the new State Duma dominated by communists and national-patriots, whose opinions on Crimea's territorial affiliation are virtually identical. The elected deputies will have to work off the votes "donated" to them. Second, the electoral race for the presidential "gold" is in full swing. Taking into account the popularity of the idea of "Greater Russia" among the average voters, there is no doubt that the "Crimean card" will actively be played in the immediate future. Finally, the presence of the Black Sea Fleet is the third Russian "trump" in Crimea. It is clear that until Russian politicians give up territorial claims to Crimea de facto, and not de jure, and this is unlikely to occur anytime soon, the problem of dividing the Black Sea Fleet will not be resolved. Furthermore, the presence of foreign troops in Ukraine (and this is the current status of the Black Sea Fleet after the agreement on the Fleet's dual subordination between Russia and Ukraine expired on 31 December 1995) represents a potential threat, particularly if the Crimean Tatar factor becomes more active.

Crimean Tatars — a Counterbalance to Criminals?

And there are both objective and subjective prerequisites for this. The political activeness of Crimean Tatars shows a tendency to grow. Their political organizations, which until recently were in an embryonic stage, are currently gaining serious weight and influence. As a matter of fact, Crimean Tatars have already become a monolithic political force able to fight for its main goal — the establishment of a national autonomous republic. This is promoted by the moods among Tatar repatriates as well — having not received the social blessings promised as far back as under [former Ukrainian President] Kravchuk, they feel like "second-rate" people. The radical slogans such as "Crimea is our historic motherland, and Slavs are aliens here" are thus easily finding a response among virtually all layers of Crimean Tatars.

They have means for both political and street battles. The process of fighting for a national autonomy may thus proceed at two levels: The parliamentary faction led by Refat Chubarov, and Kurultay with Mustafa Dzemilev will act peacefully through negotiations, at the same time as radicals will organize actions of civil disobedience. The fact that they have the required potential to do this was vividly confirmed by last June's events, when Tatars "defense" units (what is the difference between them and the "combat" units?) conducted pogroms and even captured a police detachment with its commander.

It is symptomatic that Kiev actually contributes to the increased activeness of Crimean Tatars, at least by its passiveness toward them. It is evident that this is caused by two factors: first of all, by Tatars' unequivocal orientation toward Kiev, and not Moscow, which consolidates Crimea's Ukrainian affiliation (perhaps Kravchuk's invitation for Crimean Tatars to return to their ancient land pursued namely this goal); second, by the hope that Tatars will manage to counter the international mob reigning on the peninsula, with whom the official authorities cannot cope. However, Kiev may miscalculate: Having gained absolute power with its assistance, Crimean Tatars will be much less controllable by the center than the current Crimean leadership.

On the other hand, however, nobody is able to take away from Kiev the main levers of influence: In case of a crisis, it is enough to close communication lines and water supplies to paralyze life on the peninsula. Hence, the following conclusion: The activeness of Crimean Tatars in any form will not be aimed against the Ukrainian authorities, but against the local and pro-Russian political structures. Taking into account the peninsula's complete economic dependence on Ukraine, it would be logical to presume that Crimean Tatars are

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not going — at least in the immediate future — to demand sovereignty for Crimea.

So far, they will be completely satisfied with national autonomy within Ukraine. However, if it comes, God forbid, to an armed conflict, a real war may break out on the peninsula: In such a case, Moscow will hardly miss the chance of engaging the Black Sea Fleet as a "peacekeeper" in it. In case of such developments, Ukraine may simply lose Crimea, if not de jure than at least de facto, because it will be unable to act either as an enemy or ally of the Black Sea Fleet. The first option would be a suicide, and the second one would mean an actual transfer of Crimea to Russia without any hope for its return, because the main pro-Ukrainian force in Crimea — Tatars — would be totally depreciated.

There is yet another factor which may totally complicate the situation. I have in mind the recent victory of the Islamic Refah Party in Turkey, whose members support the idea of establishing an "Islamic union from Morocco to Kazakhstan," including Crimea. Therefore, it is not ruled out that Refah activists will soon start establishing contacts with radical Crimean Tatars. They will evidently support them in case of an armed conflict. Crimea may then transform into a theater of a battle between Orthodoxy and Islam, a religious war. And religious conflicts, as world experience shows, are basically unresolvable. In such a case, Ukraine will have to select the lesser evil and stand on Russia's side, and as a result, to a considerable degree lose its independence. It can hardly count on real help from the international community. Having burnt its fingers in the Balkan conflict, the West will hardly want to interfere. Most likely, NATO and UN troops will simply impose a blockade on the zone of conflict to prevent it from spreading farther.

Taking into account the current situation in Chechnya, one should not rule out the following possibility: Caucasian states and autonomous republics united by the idea of pan-Islamism will be dragged into the religious conflict. It is symptomatic that Crimean Tatar leader Mustafa Dzemilev described Chechen militants' action in Kizlyar as an "adequate reaction to Russia's terrorism," thus demonstrating his solidarity with Dudayev's terrorists.

Kiev Can Still Prevent a Tragedy

It is clear that the lack of a real, unified power on the peninsula is the main reason behind the Crimean crisis. And if an end is not brought to this anarchy, the situation will remain explosive. Who has the best chance for victory among those who are fighting for power in Crimea? Proceeding from common sense and Ukrainian legislation, our country's highest leadership should be the main "master" of the peninsula — after all, it is a Ukrainian territory. As recently as 1991, many analysts listed Crimea as one of the most conflict-breeding regions. Instead of increasing its influence in Crimea, however, the Ukrainian authorities did something completely opposite: They granted an autonomous status to Crimea, and allowed it to set up, first, its Supreme Soviet, and then the presidential office. Despite the fact that the new Crimean authorities conducted an openly anti-Ukrainian policy, being oriented toward Moscow, Kiev not only did not take adequate measures, but even allowed Crimea to form its own government led by a Russian citizen. It was perhaps an unprecedented move.

What guided Ukraine's political establishment at that time? It is currently hard to unequivocally answer to this question: Either it actually did not understand the consequences of this tactic, or the mercenary interests of certain leaders, heated up by the Crimean lobby in the Kiev corridors of power, played their role. The arguments that our country's leadership was afraid of taking harsh steps — civic disobedience actions might have begun and the Russian Federation would have used its strength to protect the Russian-speaking population — do not withstand criticism, because as few as several dozen pensioners usually participate in rallies. The majority of Crimeans do not think about politics, but how to survive, and are ready to support everyone who will feed them. This was vividly confirmed by the results of the 1 December 1991 vote on Ukraine's sovereignty, during which the majority of Crimeans voted "for," hoping that if Ukraine became independent, their living standards would be higher than those in Russia. And the anti-Ukrainian moods in Crimea grew proportionally to the disappointment of its residents.

Furthermore, Russia would not have decided to conduct any radical actions at that time because it was preoccupied with the problem of its domestic dyarchy. There is proof confirming this: The Kremlin did not even risk settling its accounts with Chechnya, even though it was much easier to do so at that time than in December 1994.

Plus, this is already a matter of the past. However, is Kiev currently able to return the lost chance? It would evidently be an ideal option for Kiev to abolish Crimea's autonomous status and transform it into an ordinary oblast. But currently this may merely become a remote goal. A number of steps must be taken to achieve this. The increased presence of Ukrainian power structures on the peninsula might become the first and extremely important step. It is this step that may prevent an armed conflict. Kiev is able to take this measure. A battle against criminal organizations may become a fully justified reason for doing this — even in the

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eyes of the international community: Crimeans have become sick and tired of endless settling of accounts among gangsters, and Kiev's prestige would most likely considerably increase in the eyes of locals after taking this step.

The next component of Kiev's policy should be the consolidation of its positions within the local authorities. However, this was partially done at the beginning of this year: [Crimean Supreme Soviet Chairman] Yevhen Suprunyuk is more loyal to Kiev than his predecessor Serhiy Tsekov, not to mention [Crimean Prime Minister] Anatoliy Franchuk. After the latter's transfer to the Ukrainian Supreme Council, however, the situation may deteriorate.

It would also be useful for Kiev to change its tactics regarding Crimean Tatars, though not by increasing expenditures, because first, the Ukrainian authorities do not have enough money, and second, this measure alone will hardly be efficient. It is much more important to change the psychological climate among Crimean Tatars by admitting them to the "pie of power" that is to give them an opportunity to receive quotas in the local power bodies. On the one hand, this step would weaken the positions of the pro-Russian authorities, and on the other hand, it would reduce the separatist moods among Crimean Tatars themselves to a certain extent. Additionally, a humanitarian policy on the peninsula should also be carried out by taking into account the interests of the Crimean Tatar population.

The use of these three possibilities, at least, may help Kiev take the situation in Crimea under control to a considerable degree, and thus avoid dangerous developments. It will soon become clear whether the Ukrainian leadership will take these measures or not because there are already preconditions for a new conflict between the Ukrainian and Crimean parliaments. The new Crimean Constitution, unlikely to be approved by deputies to the Ukrainian Supreme Council, will evidently become the "apple of discord." And this will most likely trigger a new upsurge of anti-Ukrainian sentiments on the peninsula. As a matter of fact, this event will indicate the level of the Ukrainian authorities' clout in the Autonomous Republic of Crimea.

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Belarus

President Lukashenka on Developing Oil Industry

LD2401213796 Moscow INTERFAX in English 1724 GMT 24 Jan 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Alyaksandr Lukashenka in a speech to the meeting of oil sector managers in the southeastern city of Mozyr on Wednesday said now was the time to decide whether or not the country was to become a modern oil state.

He said that for this to happen, Belarus must retain its oil complex which had taken years to create, maintain oil production at the present level of two million tonnes a year, hold to its oil refineries at Mozyr and Novopolotsk as well as related industrial sectors and social infrastructures.

Lukashenka said that after a peak output of eight million tonnes of crude in the mid-1970s, there came an expected slump. Oil production has been stabilized at an annual two million tonnes since 1984, a success which the president attributed to the country's oil sector widely believed to be the best in the former Soviet Union. Belarussian oil workers were involved in oil exploration in Western Siberia, other parts of the USSR and abroad.

He called for prospecting for new oil fields to redress the situation instructing the government to raise whatever funds were needed to carry out geological survey and exploration work.

On the Mozyr facility, the president said that a new complex must be put up to increase yields now running only at 50 percent. He said that a $300 million lo was needed to update the refinery. This could be made available after talks with Russia's Slavneft oil company which could provide loan guarantees. If the negotiation is a success, Slavneft will guarantee an annul supply of 5-6 million tonnes of crude to Belarus, the president said.

He also called for updating the distribution network particularly the chain of gasoline stations which must provide wider services.

Similar problems occur at Novopolotsk-based Naftan company, the chief supplier of oil products and petrochemicals in the north and center of the country. "We have decided to cooperate with Russia to resolve them," Lukashenka said.

IF NOTE: Russia's LUKoil and YUKOS oil exporters are expected to provide loan guarantees for building a new high-yield facility and to supply crude oil to the republic which will place the refinery in their trust management for a period of seven years.

Lukashenka said the two Russian companies also insist on the transfer of the country's oil distribution network, but "I am inclined to being opposed to this." He said the Russians must set up their own distribution network to compete with the existing one run by the state. Otherwise, he said, we will give rise to monopolists who will dictate not only oil prices but also make influence on the country's policy.

Envoy Invites Belarus Liberal-Democratic Activists to Iraq

WS2501083396 Minsk BELAPAN in English 0755 GMT 25 Jan 96

[FBIS Transcribed Text] The ambassador of Iraq to the Russian Federation has sent a letter to the chairman of the Liberal-Democratic Party of Belarus (LDPB), Syarhey Haydukevich.

According to information received, the letter contains gratitude on behalf of President Saddam Husayn for the letter dated 19 December 1995, in which the LDPB leadership congratulated the Iraqi leader upon the results of the referendum and expressed warm and friendly feelings towards Iraq and its president.

Syarhey Haydukevich and his party colleagues have been invited on behalf the Party of Arab Socialist Rebirth to visit Baghdad at most convenient time.

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Kazakhstan

Kazakhstan: Composition of New Parliament

LD2401225596 Almaty Kazakh Television First Program Network in Kazakh 1500 GMT 24 Jan 96

[FBIS Translated Excerpt] The Central Electoral Commission held a news conference on the results of the new elections to parliament at Parliament House today.

[Correspondent] In a few days, for the first time in the history of Kazakhstan, a bicameral parliament will start its work. Yuriy Alekseyevich Kim, chairman of the Central Electoral Commission, told journalists and embassy representatives about the results of the elections. So, 38 deputies have been elected to the senate, the upper house, and 66 deputies have been elected to the majles, the lower house. The names of two more senators and one deputy to the majlis will be known on 31st January. A total of 94 out of the 104 deputies are men.

As for ethnic composition, 68 deputies are Kazakhs, 31 are Russians, there are two representatives from Ukraine, two Uygurs, two Koreans, and two Germans. Other nationalities are also represented. There are six doctors of science, and 11 candidates of science among the deputies. This election seems to have seen more active participation than those held in 1994. For example, over 80 percent of voters turned out in a number of regions — Aktyube, Almaty, Mangistau, Semipalatinsk, Taldy-Kurgan, and South Kazakhstan. [passage omitted]

There are 33 engineers, 14 economists, 17 agricultural specialists, 28 teachers, seven lawyers, and two journalists among other specialists in the new parliament. [passage omitted]

President Nazarbayev Introduces New Senators

LD2401224596 Almaty Kazakh Television First Program Network in Russian 1500 GMT 24 Jan 96

[Quotation marks denote recorded passages]

[FBIS Translated Text] President of Kazakhstan Nursultan Nazarbayev today presented the seven senators on the presidential list.

[Nazarbayev] "Now I will announce the senators, you have been asking me, so I will put you out of your misery."

[Correspondent] The nomination of seven senators has caused much more interest among the public, journalists, and analysts than the election of the 40 deputies. This is not so much because they are to be appointed by the president, but more because the public wants to know who these people who are to play the main role in the senate. There is no doubt that this is how it's going to be, because there are well-known people among the seven senators.

So, the new senators: Byrganym Aytimova, minister for youth, tourism and sport, a lawyer, knows English; Sabir Kasymov, former member of the Constitutional Court; Azimkhan Satybaldin, doctor of economics, first deputy chairman of the presidential administration, for economic policy; Daulet Sembayev, former chairman of the National Bank of the republic; Sergey Tikhonov, candidate of law, first deputy minister of justice; Zinayda Fedotova, candidate of law, head of the awards department of the president of the republic; and Anatoliy Kotov, doctor of law, deputy director of the research centre at the Kazakh State Institute of Law.

[Nazarbayev] "In the new senate are lawyers and specialists, people with experience of drafting, discussing, and interpreting laws. As you see, I have strengthened the judicial and economic element. I have tried to put people in the senate who can present their views about the work of the former deputies, about drafting legislation, and who will put things on a constructive track."

[Correspondent] Thus, four of the seven deputies are lawyers, two are economists, and one is a minister. Two of the present senators were deputies in the former parliament and two senators were among the authors of the new constitution.

[Nazarbayev] "I have prepared new deputies' badges for you, they are not like the old banners, they are made of pure and precious metal.

"The government has prepared approximately 14 draft laws to be submitted to the majles. The majles will start its work. You can rest until you are presented with the draft laws."

[Correspondent] In addition to this, the president of the republic announced that he has appointed Yuriy Kim as chairman of the new Constitutional Council, and Zagipa Balliyeva as chairwoman of the Central Electoral Committee. She was previously secretary of the Central Electoral Committee.

So, the curtain of mystery over the names of the seven senators has been opened, but there is still one question: Who will be the chairman of the senate. Daulet Sembayev's name has been mentioned frequently by journalists.

[Sembayev] "There can be no proposals, because I think the process has to be sufficiently democratic and the chairman of the senate, according to the constitution, is named by the president. He makes the proposals. But there will be a vote."

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Kazakhstan: Presidential Decree on Security Council

LD2401213496 Almaty PANORAMA in Russian 19 Jan 96 p 1

[FBIS Translated Text] The president has issued a decree approving new provisions on the Security Council and has appointed its members. This step was prompted by the adoption of the constitution, by the changes introduced to improve the structure of the central executive bodies, and also by the Security Council's reorganization. According to the provisions, the Security Council is a consultative and advisory body created by the president to make decisions on the main directions of foreign, domestic, and defense policy relating to preserving national security, territorial integrity, state sovereignty, and the constitutional system of Kazakhstan.

The main tasks of the council are: to determine the strategy and tactics of the republic's foreign and domestic policy relating to preserving national security; to coordinate the activities of state bodies on issues connected with this; to elaborate and implement the national security doctrine; and to supervise the implementation of presidential decisions on these issues.

In accordance with the set tasks, the council carries out full analysis of the situation in the world and at a regional level as regards national security problems, examines foreign and domestic policy issues, problems of state, economic, social, defense and ecological security, and security in the sphere of information and other areas. The council makes known and forecasts internal and external threats to the republic's security, takes measures to prevent these, and so on.

The president is chairman of the Security Council. On its staff also are the prime minister, the state secretary, the head of the presidential administration, the secretary of the Security Council, the prosecutor general, the interior, foreign, defense, and finance ministers, the head of the presidential guard, and the chairmen of the state committees for border guards and for emergency situations, of the State Investigation Committee, and of the National Security Committee. Other officials can also be included in the council by the president. The council's activity is supported by the secretariat under the chairmanship of the secretary of the Security Council. The position of the latter, directly subordinate to the President, is equal to that of deputy prime minister. The council is to meet at least once every three months under the chairmanship of the president. The president and government of the republic may issue decrees based on the Security Council's decisions. Baltash Tursumbayev, former head of the Kustanay regional administration, has been appointed secretary of the Security Council.

Kyrgyzstan

Kyrgyzstan Ready To Join CIS Customs Union

LD2401134996 Moscow INTERFAX in English 1215 GMT 24 Jan 96

[FBIS Transcribed Text] BISHKEK, Jan 24 (Interfax) - Kyrgyzstan is ready to sign a treaty to join the customs union organized by Russia, Kazakhstan and Belarus. The signing ceremony is scheduled for February 20 in Bishkek, head of the Kyrgyz Ministry of Economy's Commonwealth department Aziz Amanaliyev told Interfax Wednesday.

The ceremony will be attended by the prime ministers of Russia, Kazakhstan, Belarus and Kyrgyzstan, he said.

"All questions on the procedure of the Kyrgyz entry into the customs union have been settled, and the sides have a mutual understanding," said Amanaliyev.

Kyrgyzstan and Russia signed an agreement on regulation of foreign economic activities and united control over customs services of both countries back in December 1995. "However, these documents will remain idle as long as Kyrgyz laws on customs services and duties are not brought into correspondence with the agreement on the customs union," said the official.

The agreement on the customs union "will boost the Russian decision to cancel export duties on many types of products," he noted. In his words, the Kyrgyz customs legislation on export duties "was more liberal than that of Russia. Kyrgyzstan has only one export duty left, which limits exports of raw hide."

New Air Route Between Kyrgyzstan, Turkey

LD2301200296 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 1400 GMT 23 Jan 96

[FBIS Translated Text] Talks between Kyrgyzstan Aba Zholdoru [Kyrgyzstan Airways] and the leading Turkish air company, Turkish Airlines, have produced good results. They are to join efforts to set up another air route between Bishkek and Istanbul. The new route is to start working at the end of March. The flight will be on Saturday mornings and an A-310 Airbus will be used. An office has already been set up at Manas airport for the representatives of Turkish Airlines. Another office is to open soon in Bishkek itself. Meanwhile, there have been flights twice a week between Kyrgyzstan and Turkey for two years now. This was one of the first flights to link our republic with the area beyond former Soviet republics.

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Armenia

Karabakh 'President' Says Status Must Be Clarified

NC2401193796 Yerevan NOYAN TAPAN in English 0655 GMT 24 Jan 96

[FBIS Transcribed Text] Stepanakert, January 24, (NOYAN TAPAN)— Yesterday Karabakh President Robert Kocharyan appeared before parliamentarians with an annual report on the socio-economic and military-political situation in the Karabakh Republic.

President noted that 20-month-long cease-fire enabled to create the legislation and start reforms in Karabakh's economy.

Economic reforms enveloping almost all branches of economy have started in Karabakh since 1995. Privatization process is also under way. Government started to pursue a tougher tax policies.

Process of transforming Soviet-style kolkhozes [farming collectives] into farms is being successfully carried out in Republic's agriculture.

According to President, positive results have been reached in development of infrastructure. "As a matter of fact, Karabakh Republic has its own power grid", President noted.

The process of restructuring Republic's banking system, is also under way. Kocharian said that Karabakh leadership is still to resolve one of the most important problems — return of Karabakh refugees to their homes and creation of normal living conditions for them.

Speaking on military issues, President Kocharyan pointed out to high efficiency of the Karabakh Army. He stressed that Karabakh leadership will further work over strengthening of Republic's defense.

Robert Kocharyan paid special attention to Karabakh's foreign policy. According to him, no serious breakthrough has been reached on the issue of settlement of the Karabakh problem, despite intensification of the peaceful process by the international community. At the same time Kocharian pointed out that MKR [Mountainous Karabakh] has acquired good reputation on the international arena in recent years. Mountainous Karabakh, he said, has become a noticeable political factor in the region. Karabakh established relations with official representatives of a number of countries and international organizations and holds with them consultations on wide range of issues. Kocharyan called a positive factor the understanding expressed on the part of OSCE Minsk group of Karabakh's line, calling for simultaneous discussion of all problems, including the future status of Mountainous Karabakh. Unless future status of Karabakh is clear, Stepanakert will not agree to any shifts in the situation, existing de facto, Kocharyan stressed. Robert Kocharyan positively assessed the fact that the status of Mountainous Karabakh was discussed at several rounds of the negotiations on the settlement of the Karabakh conflict as well as the fact that the problem of ensuring safety for Mountainous Karabakh and its population was recognized as being key one.

In conclusion Robert Kocharyan reiterated that Karabakh is ready to solve the problem peacefully.

Karabakh Envoy Says Fast Resolution 'Impossible'

NC2401145096 Yerevan NOYAN TAPAN in English 1730 GMT 23 Jan 96

[FBIS Transcribed Text] Yerevan, Jan 23 (Noyan Tapan) — "The problem of Karabakh will hardly be resolved in the near future since positions of the parties to the conflict are still different", Karabakh's Representative to Armenia Aleksan Harutyunyan said at a news conference held Tuesday in Yerevan.

"We believe that it is impossible to solve the Karabakh problem quickly. We should not hurry in settling this problem. The contending parties should have enough time to take a sober view of the current realities", he said. Positively assessing the fact that cease-fire had been maintained over 1995, Mr. Harutyunyan said: "If we succeed in maintaining cease-fire over 1996 I would consider it a success". Harutyunyan noted that it was necessary to continue the negotiations on settlement of the conflict.

According to Harutyunyan, adoption by international community of any resolution the would be reminiscent of that adopted in the case with Bosnia and foisting of that resolution upon the parties to the Karabakh conflict is impossible. Such approach to the problem is extremely dangerous, since the territory of Karabakh is very small, and, it is quite possible that while bombing Karabakh, bombs may fall on the territory of Azerbaijan, which is "rich in oil".

"The best lesson that Karabakh may learn from the Bosnian case" is the situation in Sarajevo, where 100,000 Serbs burn their houses and leave the city despite multiple guaranties from the international community. "What guarantees will international community be able to ensure for Karabakh people, if Karabakh will be made to subordinate to Azerbaijan?," Harutyunyan emphasized.

In his opinion "it is not worth paying much attention" to Russian President's statement at a January 19 press conference. During this press conference Mr.Yeltsin expressed surprise that Karabakh wanted a higher status than autonomous republic within Azerbaijan. "What do

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they want, a status of United State of America?". "We do not want a status of USA", Mr.Harutyunyan pointed out.

According to Head of a Political Department of Karabakh's representation to Armenia Karineh Melkumyan, the "key" issues which make up 20 percent of the Big Political Agreement cannot be solved unless negotiating sides work out new approaches proceeding from the current state of things.

Mr.Harutyunyan pointed out that Azerbaijan did not officially proposed Karabakh a "wide autonomy" within Azerbaijan. "Instead of it we received Azerbaijan's Constitution proclaiming Azerbaijan to be a unitary state and reading that none of nationalities could have statehood. This testifies to the fact that Azerbaijan excludes all possibilities of establishment of a federation with Karabakh", Harutyunyan emphasized.

"And who said that a proposal on Karabakh's status must proceed from Azerbaijan? Once Azerbaijan has already proposed us as a result of which the war began, and we now see its consequences", Karabakh representative to Armenia pointed out. He also reminded that Karabakh's people proclaimed its independence on the sane legal base as Azerbaijan did - by referendum and proceeding from the law on cessation from USSR. "The Karabakh leadership obeys the precisely expressed will of its people", Aleksan Harutyunyan pointed out.

Georgia

Georgian Envoy Praises CIS Decision on Abkhazia

LD2401210396 Moscow INTERFAX in English 1619 GMT 24 Jan 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Jan 24 (Interfax) - The CIS Moscow summit's decision on economic and political isolation of breakaway Georgian republic Abkhazia will help intensify Georgian-Abkhaz talks, Georgian Ambassador to Russia Vazha Lordkipanidze told a press conference in Moscow Wednesday.

The sanctions are targeted against separatism rather than against the Abkhaz population, he said.

Necessary food products will be brought to Abkhazia with the consent of the Georgian authorities, Lordkipanidze said.

The conflict will not deteriorate after CIS peacekeeping forces in Abkhazia are vested with police functions (additional powers under which peacekeepers "will be able to really protect returning Georgian refugees" - IF), he said.

No consent by the Abkhaz authorities is required for the change of the peacekeeping forces' mandate, the Georgian ambassador said. Georgia and Russia will draft corresponding proposals before February 19.

Lordkipanidze urged Abkhazia to agree to hold talks with Georgia immediately. He said Georgian proposals for the talks "contain flexible wordings."

Georgia is ready for difficult talks on the state and territorial system of the unified federative state, Lordkipanidze said. New Georgian proposals limit the powers of the federal government leaving with it "foreign policy, defense, border defense, energy, transport and communications, financial and currency regulations and the customs service," he said. Some parliamentary seats in the federal parliament will also be reserved for Abkhazia, but the share of parliamentary seats to be reserved had yet to be coordinated, Lordkipanidze said.

Under Georgian proposals, Abkhazia will have its own constitution and legislation, its own parliament, government and supreme court and its own national symbols, he said. Border guards defending Abkhazia's section of Georgia's state border are expected to be Abkhaz residents, Lordkipanidze said. Abkhaz police will be formed under the same principle, he added.

Urgent, unconditional and dignified return of all refugees and displaced persons to Abkhazia is an obligatory pre-requisite for these proposals'implementation, Lordkipanidze said.

Georgian Envoy Hopes Abkhazia Will Agree to Proposals

LD2401231396 Moscow ITAR-TASS World Service in Russian 1545 GMT 24 Jan 96

[By ITAR-TASS diplomatic correspondent Yuriy Kozlov]

[FBIS Translated Text] Moscow, 24 Jan — The new mandate for the CIS peacekeeping forces in the zone of the Georgian-Abkhaz conflict, in accordance with the decision of the council of CIS heads of state, must be drawn up on the basis of Georgia's proposals and submitted to the council for approval by 19 February of this year. Journalists were told this today by Vazha Lordkipanidze, Georgia's ambassador to Russia and personal representative of the Georgian head of state to the Georgian-Abkhaz talks.

The main aim of the change in the peacekeeping forces' mandate is to ensure the civilian population's safety, assist the quickest return of refugees, and to implement the plan for a political settlement of the conflict, which is to be drawn up during the talks. He believes that

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Abkhazia's consent to the change in the mandate is not required.

Touching on the prospects for further development of the negotiating process, the ambassador expressed the hope that the Abkhaz side would agree to Georgia's proposals for a settlement of the conflict. These proposals in particular include the granting to Abkhazia of the broadest rights of autonomy within the framework of a single federal state right up to the possession of its own constitution and legislation, parliament, government, and supreme court, as well as relevant state symbols.

Abkhazia will be ensured representation in all federal organs of legislative, executive, and judicial power, and their management and the federal parliament's decisions affecting Abkhazia's interests will have force only with the consent of a majority of Abkhaz deputies. Foreign policy, defense, border guarding, customs service, budget and financial policy, hard currency regulation, power engineering, transport and communications will come under the competence of the federal authorities. Within the framework of its exclusive competency, Abkhazia will be entitled to conclude international treaties and agreements.

Dwelling on the economic part of the decision of the CIS council of heads of state "On measures to settle the conflict in Abkhazia and Georgia," the ambassador said this document only deals with ties with Abkhazia at state level, which henceforth must be implemented through the official organs of government in Tbilisi. The activities of private individuals and companies lie outside the framework of this document.

German Foreign Minister, Delegation Visits Georgia

Shevardnadze, Kinkel Hail 'Special' Relations

LD2401143796 Tbilisi BGI in Russian 1155 GMT 24 Jan 96

[FBIS Translated Text] [No dateline as received] — Georgian President Eduard Shevardnadze and German Foreign Minister Klaus Kinkel held a news conference today. Here is a report by BGI correspondent Inga Dadiani:

[Shevardnadze] I would like to welcome German Foreign Minister Klaus Kinkel. Our conversation was held behind closed doors and lasted half an hour. We noted that Germany has a special position as regards support for independence, freedom, and democratic development in Georgia. Hans-Dietrich Genscher, [former German foreign minister] first visited Georgia in 1992 when Georgia was unstable and effectively had no legitimate government. The visit had political significance at that critical time.

Today Georgia is a constitutional country. The building of a new state is under way, and Germany is making a contribution to this. I mean political and financial support, both directly and through the European Union. We have a sufficiently reliable legal base for the development of relations between our countries.

I would like to express special gratitude for the support that Germany is giving us as far as the Abkhaz and South Ossetian issues are concerned.

If any part of Georgia has electricity today, it is, to a large extent, thanks to Germany. The well-known ninth generating set [of Tbilisi district power station] would not have been commissioned without Germany's help.

We discussed the situation in the Transcaucasus and countries of the CIS. We stressed the importance of integration into European structures.

[Kinkel] I would like to thank the Georgian Government for the warm welcome. I would like to congratulate Eduard Shevardnadze and members of the government on the results of the elections. The elections have shown that Georgia will not turn away from the path of reform.

Germany will never forget Shevardnadze's role in the country's reunification.

All three Transcaucasian countries represent a sphere of our interests. These countries are at a crossroads where several countries' interests meet. There are several conflicts in the Transcaucasus, two of which are in Georgia. Germany supports the territorial integrity of Georgia, and there cannot be two opinions about that.

I was encouraged by the results of the Moscow meeting [of CIS leaders]. Germany attaches great importance to the ratification of the agreement with the European Union on 15 December. This will help Georgia overcome its economic and energy crisis. I will send to Georgia a special team to help solve all these problems.

Apart from that, the implementation of the Hermes program will begin in Georgia soon. Representatives of business circles and experts will come here to implement structural changes at the republic's Ministry of Foreign Affairs.

I am sure that Georgia will be able to pursue a balanced policy in its relations with large countries, with its neighbors. Russia's attitude to Georgia is very important. We discussed this during our conversation.

[Unidentified] correspondents questions:

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[Correspondent] Do you think that the documents approved in Moscow will have crucial importance for the settlement of the Abkhaz problem?

[Kinkel] I am sure they will. I would not like to discuss every detail, but it was a step forward.

[Correspondent] You have said that Germany attaches great importance to relations with Georgia. Does it mean that Germany has priorities among countries that are Georgia's friends? [sentence as received]

[Shevardnadze] German support is very important for Georgia. Germany has supported us during every difficult period, and, therefore, it is not hard to guess why we call our relations special.

[Correspondent] What are the prospects, you think, of Russia becoming involved in the European Union?

[Kinkel] I cannot imagine Russia becoming involved in the European Union in the next three years. This would not be realistic. But it does not mean that cooperation should not develop. This can be implemented in the not too distant future.

Kinkel Addresses Georgian Parliament

LD2401155996 Tbilisi IBERIA in Georgian 1455 GMT 24 Jan 96

[FBIS Translated Excerpt] Tbilisi, 24 January — Today at an extraordinary parliament session, Parliament Chairman Zurab Zhvania greeted the German delegation and praised the visit to Georgia by the German Foreign Minister Klaus Kinkel. [passage omitted]

For his part, Kinkel considered it an honor to have an opportunity to address the Georgian Parliament in his capacity as German foreign minister. He also stressed the great importance that is attached to Georgia as a geopolitical bridge between Europe and Asia for the stability in Europe on the whole and the neighboring Islamic world. The interests of the Caucasian states are closely linked with the current field of tension between the forces of Russia, Turkey, and Iran. He added that Germany wanted to help Georgia by deeds as well as promises. However, it is impossible to live up to all expectations. "Our cooperation in trade is still at the initial stage," said Kinkel. German businesses are showing interest in projects envisaging the establishment of infrastructure — building railways and highways, as well as sea ports and airports and their reconstruction. At the moment, the issue of creating the state guarantees for securing German investments in Georgia, Armenia, and Azerbaijan is being worked out.

In conclusion Kinkel said that Germany was not just interested in Azerbaijan and its oil supplies, but that Georgia had a vast potential for developing agriculture, the processing industry first and foremost considering its [Georgia's] human resources and old scientific traditions.

Kinkel Supports Sanctions Against Abkhazia

LD2401202796 Moscow INTERFAX in English 1848 GMT 24 Jan 96

[FBIS Transcribed Text] TBILISI, Jan 24 (Interfax) - German Foreign Minister Klaus Kinkel described as a serious step in the right direction the decision to impose sanctions against Abkhazia made by the latest CIS summit in Moscow.

Speaking in the Georgian parliament Wednesday, Kinkel said he planned to discuss this subject with Russian President Boris Yeltsin in Moscow Saturday [27 January].

Germany supports Georgia's territorial integrity, Kinkel underlined. "Any separatist demands for independence lack any grounds and will not be supported either by Germany or the world community as a whole," he added.

According to Kinkel, settlement in Transcaucasia is specially important, because this is where the strategic interests of Russia, Turkey and Iran intersect.

Germany's interests in Transcaucasia are not limited to the Azerbaijani oil, Kinkel said. "We are interested in as close as possible rapprochement with Georgia," he underlined.

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Estonia

Estonian Premier Meets NATO, EC, Belgian Officials

LD2401231496 Tallinn Radio Tallinn Network in Estonian 1800 GMT 24 Jan 96

[FBIS Translated Excerpt] The visit by Prime Minister Tiit Vahi to the Kingdom of Belgium is almost complete.

In the first half of the day Tiit Vahi had a meeting with NATO Secretary General Javier Solana and Hans van den Broek, the commissioner on external affairs of the European Union. According to Tiit Vahi, the parties — that is NATO and the Republic of Estonia — reached a joint position that cooperation must be strengthened so as to ensure security in our region. According to Tiit Vahi, Estonia at the same time suggested that a whole company, not only a platoon of about 30 men, could be sent as peace enforcement forces from Estonia to Bosnia. It was also agreed that the NATO secretary general will be visiting Estonia on 16-17 April.

With Hans van den Broek, the commissioner on external affairs of the EU, the Estonian delegation discussed the technical details of coming closer to the European Union. By the end of this year the EU Commission must complete the so-called official opinions about each country seeking membership, and that includes Estonia. According to Van den Broek, the position of the Republic of Estonia is excellent compared with some other Eastern and Central European countries. [passage omitted]

Philippe Maystadt, the Belgian deputy prime minister in charge of also foreign trade and financial issues, and Estonian Economics Minister Andres Lipstok signed an Estonian-Belgian agreement on protection and encouragement of investment. A meeting with Flemish Prime Minister Luc van den Brande also took place. Vahi opened a seminar on Estonian economic affairs at the Belgian Business Federation, and Andres Lipstok made a substantial speech there.

The evening was concluded by the Estonian prime minister's conversation with Belgian Prime Minister Jean Luc Dehaene. Vahi called the meeting which lasted over an hour, pragmatical. According to Vahi, the Belgian Government supports Estonia's aspirations into Europe and Jean Luc Dehaene promised to speed up the ratification of the Estonian association agreement with the EU both in Belgium and in all Western European countries. In the course of their discussion, Vahi presented an invitation to the Belgian prime minister to visit Estonia.

To sum up his two days of visits, the Estonian prime minister mentioned as of importance the creation of personal contacts which is due to facilitate Estonia's integration into Europe in the future.

Vahi Calls For NATO Admission in Light of Russian 'Threat'

LD2401142596 Tallinn Radio Tallinn Network in Estonian 1200 GMT 24 Jan 96

[FBIS Translated Text] Following the meeting with NATO Secretary General [Javier Solana in Brussels on 24 January], Estonian Prime Minister Tiit Vahi told AP news agency that Russia's extremists were a threat to Estonia and called on NATO to accept the three Baltic states as its members. Vahi added that some Russian politicians were threatening Estonia and want to move Russia's borders to coincide with these of the former Soviet Union.

Estonian Defense Minister on Gains From Participation in Bosnia

LD2401230396 Tallinn Estonian Television Network in Estonian 1900 GMT 24 Jan 96

[FBIS Translated Excerpt] The Estonian Defense Forces may be deployed for one year in Bosnia-Herzegovina as part of the NATO peace-enforcement forces. This is what the Riigikogu decided today. A subunit of the Estonian Defense Forces infantry company — a total of up to 150 men — may henceforth take part in the peace mission. The Estonian company is included in a Danish battalion.

[Correspondent Anne Raiste] There are currently 37 volunteers in the peacekeeping unit, with both vehicle and armored carrier drivers already being trained in Denmark and infantrymen leaving for Denmark on Monday [29 January]. Apart from consuming security, Estonia also wants to make its contribution to the Europe-wide security process. Defense Minister Andrus Oovel commented the departure of our peacekeeping soldiers to Bosnia before the Riigikogu as follows.

[Begin Oovel recording] The whole operation will be carried out under NATO command. This will be the first time for us to be involved in the NATO planning process, the NATO command process, the NATO training process as well as in the task implementation process. I would be so bold as to state that through participation in this operation we will acquire a small piece of the club member status, so to speak. [passage omitted]

If we help Europe to resolve its concerns today this will serve as the most certain path to Europe helping with our concerns in case of a crisis. [end recording]

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[Raiste] Estonia will pay its peacekeepers a salary and holiday pay as well as travel to Denmark and obligatory insurance. Denmark takes care of expenses on training, catering, and accommodation.

Estonia Parliament Approves Bill on Defense Forces' Use in Bosnia

LD2401181496

[FBIS Summary] Tallinn Radio Tallinn Network in Estonian at 1500 GMT on 24 January carries a 4-minute report on the Estonian parliament approving a bill on the use of its forces in Bosnia-Herzegovina.

Estonian radio reported that the Riigikogu, the Estonian parliament, today adopted a decision on using the Defense Forces for fulfilling Estonia's international obligations in Bosnia-Herzegovina.

In an interview with the radio, Defense Minister Andrus Oovel said: "I am very glad that the Riigikogu decided unanimously to ratify this bill, because by doing so we demonstrated our clear and active will to become closer to NATO and our wish to take part in missions organized by NATO."

President Meri Addresses Political Forum in Bonn

WS2201132196 Tallinn ETA in English 1729 GMT 21 Jan 96

[Report on speech given by Estonian President Lennart Meri on 21 January at the Bertelsmann Forum in Bonn, Germany; "News Release"]

[FBIS Transcribed Text] Tallinn, January 21 — Estonian President Lennart Meri was one of the many statesmen and former statesmen present at the Bertelsmann Forum in Bonn, Germany. In his speech to the forum, Meri concentrated on three issues: Europe and the European Union, Russia and Europe and Estonia and Europe.

Of Europe

President Meri started his speech, asking how Europe defined itself. He admitted that the question might be of interest to those present at the forum but not to the citizens of Europe. The citizens are interested much more in income tax and the unemployment rate. They think that Europe is more or less complete and the smaller the changes, the better.

Meri pointed out that the European Union and NATO were creations of a world suffering from fear, where it was important to defend oneself. As this world disappeared, self-defense as motivation left with it.

Citizens who show concern for the future and security are of interest to European identity, Meri said, regretting that their number was no larger than the number of participants at the forum. In Europe the wish not to change is more powerful than the wish to change.

President Meri recalled a passage from Alice's adventures in the Looking-Glass World where one had to run just to stay where one was. But the citizen of Europe would start to run only if chased by real danger and fear. Skepticism in Europe is taking root in Germany, the real dangers are not seen and the tragedy in the Balkans has been pushed beyond the borders of Europe.

The citizen of Europe is slow to comprehend why Europe has to expand, Meri said. During the times of Maastricht, unity on the issue of expansion was greater.

President stressed that Europe was above all united by the idea of a democratic society which set the geographic boundaries of Europe. Dr. Wolfgang Schaube told the forum that Europe was not an economic area but the political structure of freedom.

The New Europe is a wider term than the European Union, Meri said. Strategies for joining the new Europe are scantier than those for joining the European Union.

Meri saw the New Europe as consisting of the European Union and the present-time EU candidates. Thus the strategies for joining the EU should not be determined solely by full members of the union.

Meri warned the EU candidates of developing the spirit of competition, of the atmosphere of qualification rounds for the Olympic Games. He said that the best possible way for all was the best possible way for each country separately.

Of Russia

Meri pointed out the two sore points of Europe - Russia and the Balkan countries. Both of them expect tight cooperation with Europe in the future and the New Europe can not be complete before solutions have been found in both of these dimensions.

Europe can never enfold Russia or the Commonwealth of Independent States, no matter how positive or negative the developments in that region, Estonian President said. Within their boundaries, the New Europe and Russia are two vessels of the same size. These two do not fit into each other. In history, they have only been able to fit together pieces of each other for short periods of time.

Whereas Europe has got rid of its feudal ambitions, many people in Russia declare that all the dangers and worries result from Russia being too small. In order to save Russia from destruction, it has to be enlarged, they say. Russia has a dozen bordering countries - more than

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any other country in the world. This can easily create an illusion that Russia has been surrounded.

In the context of the modern world, Meri said, the situation is the contrary. The interior worries and dangers of Russia are the greater, the larger the country is or wishes to be. Europe can not relieve the burden of greatness of Russia but it can withstand the imperialistic ideology and save Russia and the whole world from further misfortunes.

Meri told the forum that in perspective he could see just one way for the rationally developing Russia and the new Europe: if they cannot fit into each other, a larger vessel capable of containing both, and more, has to be used.

Of Estonia

Speaking of Estonia and its aspirations to join Europe, Meri pointed out that the Baltic Sea was the only inland sea of Europe and thus it was essential that the countries on its shores, including Estonia, would be a political and economic unit, just like North European countries are urging the EU to do.

Estonia's shock therapy to do away with the Soviet-time economy is a good example of a shock therapy successfully carried out. The speed of economic reforms has raised the self-confidence of Estonians and integration to West European structures is regarded as natural, Meri said.

Estonia has understood that a small country with a small home market and few resources can only be successful if its economy is open to the world. Estonians have fought for liberality in economy and put open economy into practice. Estonian market shows no signs of protectionism in any of its forms.

The fast privatisation process, free flow of capital, economy-friendly tax policies (a uniform 26 per cent income tax for all), monetary policy (Estonian currency has been tightly pegged to the German mark for almost four years) and stability in banking has brought Estonia to the first place among the reform countries if the volume of foreign investments per capita is considered.

Thus Estonia does not plead its way to the European Union, nor is it dragged behind the others. Estonia believes in individual treatment of EU candidates according to the agreement reached at the Madrid summit, according to the recent statement of Chancellor Helmut Kohl, President said. As far as economic criteria are concerned, Estonia is ready to start negotiation talks any time.

Meri concluded his speech, saying that Europe had sufficient potential for analysis in order to weave the strategies into one. It just needs courage to make and carry out decisions.

Lithuania

Slezevicius Says Resignation Reports 'Premature'

LD2401132496 Vilnius Radio Vilnius Network in Lithuanian 0830 GMT 24 Jan 96

[Interview with Lithuanian Prime Minister Adolfas Slezevicius by unidentified correspondent at Prime Minister's Office in Vlnius on 24 January — live or recorded]

[FBIS Translated Excerpt] [Correspondent] Some newspapers wrote today that you, Prime Minister, have to hand your letter of resignation to the president by Thursday. [passage omitted] What can you say about that?

[Slezevicius] Good morning. Indeed, one can notice a certain concern of part of our society - they want me to resign as soon as possible. There was no talk about this with the president, and a precise date has not been set. In this case the wish of the press to see the letter of resignation at any cost is too strong and such reports are premature. This is all I have to say on this issue. [passage omitted]

Brazauskas Blames Banking Crisis on Law Enforcement Agencies

LD2301192596 Vilnius Radio Vilnius Network in Lithuanian 1700 GMT 23 Jan 96

[FBIS Translated Excerpt] The Lithuanian Seimas dismissed Kazys Ratkevicius from the post of Lithuanian Bank chairman of the board of directors today. Sixty-one Seimas members voted in favor of the draft resolution submitted to the parliament by President Algirdas Brazauskas, with four against and 14 abstentions. The ruling Lithuanian Labour Democratic Party (LDDP), the Lithuanian Social Democrats and the Homeland Union Seimas factions were in favor of Ratkevicius' dismissal.

Parliament appointed Jonas Niaura as acting chairman of the Lithuanian Bank board of directors, who until now was the bank's deputy chairman.

Presenting the draft resolution of the dismissal to the Lithuanian Seimas, President Brazauskas subjected the Interior Ministry and other law enforcement agencies to severe criticism for their lack of efficiency and the wrong actions which was conducive to the development of a crisis situation in the banking system.

Where were the law enforcement agencies when hundreds of millions were being plundered and partly misappropriated, the president asked. He blamed the law

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enforcement agencies for failing to enforce the laws allowing the Interior Ministry to apply the prevention measures. The state security department should tell the Central Bank where and at which commercial bank bad things were taking place, and who was exerting pressure, the president said.

More than once the president mentioned that pressure was being exerted on the heads of the banks and maintained that this information was available to the heads of law enforcement agencies. We have facts that the chairmen of banks were being threatened with demands to withdraw the deposits of individual organizations and some depositors and this was not being done by clean hands, the president said.

The president condemned the detention of the leaders of the Lithuanian Joint-Stock Innovation Bank and the Lithuanian Litimpeks bank. He stressed that this did not do credit to the law enforcement agencies, the Interior Ministry and to the whole of Lithuania. This should have been discussed and carried out in a civilised manner and not by aiming to make an impression, Brazauskas said.

He also stressed that there was lack of contact between the Bank of Lithuania and the law enforcement agencies. The president also said that he himself was partly to blame for failing to make the officials draw the conclusion after the collapse of the Sekunde bank. [passage omitted]

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